

General Management Criteria Summary

Criterion	Points	Bonus Points
Return on Sales (Operating Profit)	300	125
Employee Development	250	50
Return on Assets	200	0
Debt to Equity	200	0
Target Account Marketing	100	0
Customer Satisfaction Index	100	0
Parts Turns	100	0
Parts Availability	100	0
Parts Obsolescence	100	0
Days Sales Outstanding (DSO)	100	0
Total	1550	175
Period Submission Penalty	-200	

Return on Sales

300 Points

Return on Sales	Points
4.1% - 5.0%	300
3.1% - 4.0%	200
2.1% - 3.0%	100
1.1% - 2.0%	50
< 1.0%	0

$$\text{Return on Sales} = \frac{\text{Total Sales} - \text{Total Expenses}}{\text{Total Sales}}$$

Bonus: 25 points for each full 1% increment above 5% up to 10%

Total Sales: Cumulative revenue for the following departments during the 2004 calendar year; Hyster new trucks, allied product, used trucks, rental, lift truck related training, parts and service.

Total Expenses: Cumulative costs for the following during the calendar year 2004; inventory (cost of goods sold), rental depreciation, rental interest, rental maintenance, personnel, operating expenses, occupancy expenses, other expense (income) and any interest expense not included in the above categories.

DOD Information Source: Dealer

Employee Development

250 Points

Sales Training

75 Points

Training Hours per Salesperson	Points
30.0 +	75
20.0 – 29.9	40
0.0% - 19.9	0

$$\text{Training hours/person} = \frac{\text{Total Training Hours}}{\text{Total Number of Salespeople}}$$

Bonus Points: 50 points- Dealership has implemented DPS principles, as it relates to call planning, call reports, and the presentation process, and sales manager(s) are formally utilizing the principle of DPS in evaluating salesperson's performance.

Total Training Hours: Total number of training hours provided to dealer equipment salespeople from Hyster sponsored or approved structured training programs during the 2004 calendar year. All training that is not sponsored by Hyster must be approved in writing by Hyster Dealer Development to qualify.

Total Number of Salespeople: Average monthly number of salespeople during the 2004 calendar year. Salesperson count corresponds to the end of the calendar month. (Appendix A)

DOD Information Source: Dealer, Dealer Development

Aftermarket Training

75 Points

Training Hours per Salesperson	Points
30.0 +	75
20.0 – 29.9	40

$$\text{Training Hours/Aftmkt Salesperson} = \frac{\text{Total Training Hours}}{\text{Total Number of Aftermarket Salespeople}}$$

DOD Information Source: Dealer, Aftermarket Regional Manager

Total Training Hours: Total number of training hours provided to dealer aftermarket salespeople or technicians from Hyster sponsored or approved structured training programs including web-based distance learning programs during the program year. All

training that is not sponsored by Hyster must be approved in writing by the Hyster Aftermarket Regional Manager or NMHG Technical Training to qualify.

Total Number of Aftermarket Salespeople: Average monthly number of aftermarket salespeople during the program year. Aftermarket salesperson count corresponds to the end of the calendar month. (Appendix A)

Service Training

100 Points

Service Training	Pts.
50% or more 25% - 49.9% These percentages are of the dealer's technicians participating in the Certech program by having achieved Elite status or completing at least one certification exam during the program year.	50 25
Training hours per technician equals 20 or more.	25
At least one dealership location has attained Certech Elite status.	25

$$\% \text{ Techs participating} = \frac{\# \text{ Techs w/1 test or Elite Status}}{\# \text{ Techs}}$$

$$\text{Training Hrs/Tech} = \frac{\text{Total Training Hrs}}{\text{Total \# of Techs}}$$

DOD Information Source: Hyster, Dealer, Regional Aftermarket Managers

Percentage of Techs Participating: This is the number of technicians that have completed at least one test or have obtained Elite status divided by the total number of technicians in the dealership.

Training Hours per Tech: This is the total number of training hours provided to the technicians through Hyster training classes, distance learning programs, or other training approved in writing by the Aftermarket Regional Manager or Hyster's Technical Training Department. Types of acceptable training would include Allied Equipment such as batteries, chargers, attachments, and other training that aides the dealer in providing exceptional service to their customers. (If 10 technicians are in a training class for 2 hours, this represents 20 hours of total training.)

Total Number of Technicians: Monthly average number of technicians working for the dealership during the program year.

Return on Assets

200 Points

Return on Assets	Points
12.0%	200
9.0 – 11.9%	100
6.0 - 8.9%	50
3.5 – 5.9%	25

$$\text{Return on Assets} = \frac{\text{Net Income Before Taxes}}{\text{Total Assets}}$$

Return on Assets (ROA): This is the Net Income Before Taxes divided by Total Assets.

DOD Information Source: Dealer

Debt To Equity*

200 Points

Debt to Equity	Points
0.0 - 3.0	200
3.1 - 5.5	100

$$\text{Debt to Equity} = \frac{\text{Total Liabilities}}{\text{Total Net Worth}}$$

Total Liabilities: Total liabilities as of 12/31/04.

Net Worth: Total assets less total liabilities as of 12/31/04.

***NOTE:** In order to qualify for points in Debt to Equity, the most current year end financial statements for the dealership must have been submitted to NMHG Credit or Hyster Dealer Development.

DOD Information Source: Dealer

Target Account Marketing

100 Points

Dealership must have in place for all salespeople the “Target Account Development” process as outlined in Hyster’s “Professional Sales Management Process” manual. At least two target accounts must have been developed for each new equipment and aftermarket salesperson. A list of target accounts by salesperson must be submitted to Hyster Dealer Development by the end of 2Q04.

DOD Information Source: Hyster, Dealer

Customer Satisfaction Program

100 Points

Criterion	Points
New Equipment Customer Satisfaction Dealer has an active equipment customer satisfaction program, produces a customer satisfaction index (CSI) rating and proactively implements actions to improve ratings on at least a quarterly basis during the 2004 calendar year..	15
Short-term Rental Customer Satisfaction Dealer has an active short-term rental customer satisfaction program, produces a customer satisfaction index (CSI) rating and proactively implements actions to improve ratings on at least a quarterly basis during the 2004 calendar year.	15
Parts Customer Satisfaction Dealer has an active parts customer satisfaction program, produces a customer satisfaction index (CSI) rating and proactively implements actions to improve ratings on at least a quarterly basis during the 2004 calendar year.	15
Service Customer Satisfaction Dealer has an active service customer satisfaction program, produces a customer satisfaction index (CSI) rating and proactively implements actions to improve ratings on at least a quarterly basis during the 2004 calendar year.	15
Customer Satisfaction Measurement & Management Program Dealer’s average score for all 2004 reports under the Hyster CSM&M Program equals or exceeds a CSI Rating of 70. If the dealer’s score for any report is below a CSI Rating of 70, dealer prepares and submits a written action plan addressing all areas of concern to Hyster Dealer Development within 2 weeks of the date of receiving the report.	40

DOD Information Source: Hyster Dealer Development, Dealer, And Regional Sales Managers

Parts Turns

100 Points

Parts Turns	Points
4.0+	100
3.0 – 3.9	50
< 3.0	0

$$\text{Parts Turns} = \frac{\text{Parts Cost of Goods Sold}}{\text{Average Parts Inventory}}$$

Parts Cost of Goods Sold: Your cost of the parts that you sold for the program year.

Average Parts Inventory: This is the average value of your inventory for the program year.

DOD Information Source: Dealer

Parts Availability (Fill Rate)

100 Points

Parts Availability	Points
≥ 85.0%	100
80.0% - 84.9%	50
< 80.0%	0

$$\text{Parts Availability} = \frac{\text{Parts Available from Shelf}}{\text{Parts Requested by Customer}}$$

Parts Available from Shelf – Parts available off the shelf at first pass (all parts)

Parts Requested by Customer: These are the parts the customers ordered during the year being measured.

DOD Information Source: Dealer

Parts Obsolescence

100 Points

Parts Obsolescence	Points
≤5%	100
> 5% - 10%	50
> 10%	0

$$\text{Parts Obsolescence} = \frac{\text{Non-moving Inventory cost}}{\text{Average Parts Inventory}}$$

Non-Moving Inventory Cost: Inventory cost of the parts that have not moved in 12 months or longer.

Average Parts Inventory: This is the average value of your inventory for the program year.

DOD Information Source: Dealer

Days Sales Outstanding (DSO)*

100 Points

Days Sales Outstanding	Points
≤ 45 Days	100
45.1 – 60 Days	50
> 60 Days	0

$$\text{DSO} = \frac{\text{Avg. Accounts Receivable}}{\text{Total External Sales}} \times 360$$

Days in Period: 360 days for the year

Average Accounts Receivable Balance: The average of the period ending accounts receivable balances on 12/31/03, 6/30/04 and 12/31/04. Dealers may submit the average of the month ending balances for each month during calendar 2004 instead of the above.

Total External Sales: Cumulative revenue from external sales for the following departments during the program calendar year; Hyster new trucks, allied product, used trucks, rental, parts and service.

***NOTE:** In order to qualify for points in Days Sales Outstanding, the most current year end financial statements for the dealership must have been submitted to NMHG Credit or Hyster Dealer Development.

DOD Information Source: Dealer

Period Submission Penalty

-200 Points

A penalty of minus 200 points will be assessed if a dealer does not submit their DOD input on a timely basis. Any dealer failing to submit their complete final period data by February 7, 2005 will be disqualified from the program unless a submission extension is obtained from the Director, Dealer Development.

DOD Information Source: Hyster