HYSTER COMPANY
Americas Division

SUBJECT: 2007 S.W.O.T.S. Analysis

ACCOUNT: E.I. DuPont

BACKGROUND:
DuPont is a global leader in the field of coatings, fine chemicals, woven and solid fabric and films, agricultural seed and chemical products and resin based raw materials.

STRENGTHS:
- Strong relationships at corporate level and a very long-standing user of Hyster products.
- With an addition of another approved supplier in 2004 (Toyota) Hyster has managed to sustain the majority share (approx. 60%) within this account.
- Toyota, as of late, has had difficulty navigating the complexity of dealing with this customer. Mis-specified equipment, poor Toyota dealer interaction at the site level and minimal NA attention provided by Toyota has opened the door for Hyster to become the predominant supplier to EID once again.
- NAM has engaged customer in efforts to offer a pricing strategy that will not be a fixed cost for fixed term price based agreement, but rather a discount based agreement in which EID will be provided ample notice of price increases (and justification if needed) and pricing will change reflective of the provided discount.
- Product loyalty is still very strong at many of the DuPont facilities.

WEAKNESSES:
- Product quality issues had threatened share position at EID and certain sites continue to perceive Hyster as a second rate product. Poor communication and incomplete surveys/site analysis has resulted in many sites receiving improperly spec'd machines or machines that did not perform reliably.
- DuPont has implemented a national service agreement with Yale dealer, Head and Enquist (H&E), in which H&E will be the service contractor for all mobile equipment at a given EID site. This scenario has been poorly received by Hyster dealers and dealer support has waned at the site level as a result of this agreement with H&E.
- Pricing, as a result of an online bid in 2004, has been resulted in very low margins and losses on certain models.
- Toyota trucks have been very well received at sites that have purchased. Non-existent warranty/reliability issues have arisen for sites that have elected to utilize Toyota trucks.

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<u>OPPORTUNITIES</u>:

- While Toyota trucks have proven reliable at EID sites, NA and dealer support has been poor. Hyster has an opportunity to profitably recapture a sizable share of EID orders with the implementation of a sound contract that delivers superior service to a very demanding customer.
- Rob McNulty and his three assigned regional purchasing have agreed to attend a joint meeting with NAM to discuss machine standardization as well as SOP's for the quoting/procurement of Hyster machines.

<u>THREATS</u>:

- Toyota entrusts EID as a supplier partner to Toyota's automotive manufacturing sector. History has dictated that Toyota holds such a relationship in very high regard and would consider adhering to all customer requests even in a GP loss position.
- A number of Hyster dealers have seen EID as a service cash cow for many years. Many sites have had dealer resident technicians on-site for long periods of time. The H&E service solution that EID has implemented has resulted in HUGE cost-savings to EID versus what Hyster dealers had previously provided. The combination of that cost-savings coupled with poor dealer reaction and support resulting from revenue loss has cast a shadow of disagreement over many sites and their dealer relationships.

<u>STRATEGY</u>:

With the expiration of a 3-year fixed price agreement, Hyster has the opportunity to profitably re-capture the majority share at this account with a sound contract, the implementation of a standardized operating procedure and improved communications and interaction at both the corporate and site levels. Fortis product has been very well received and is considered and "quality equal" to Toyota machines. NAM will work to re-establish the strong relationship at EID from previous position and re-gain the trust of EID.

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