The Safe Choice

HYSTER COMPANY

Americas Division

SUBJECT: 2009 SWOTS Analysis

<u>ACCOUNT</u>: *General Motors*

<u>BACKGROUND:</u>

General Motors is one of the Big 3 (although they now acknowledge themselves as the Detroit 3) automakers headquartered in Detroit, MI. Reflecting the chaos in the automotive industry, GM lost its # 1 spot in market share in the United States this year to Toyota. GM, Chrysler and Ford are seeking financial assistance from the US Government to stave off the possibility of bankruptcy.

Hyster Company has been the recognized forklift supplier for General Motors for more than ten years. At its best, GM was a $35 million annual account for Hyster Company. They regularly ordered 600 -1000 trucks. In the last couple of years, GM has ordered 200 - 300 trucks per year. In 2008, they've ordered 185, with all but 7 orders coming in the first 4 months of the year.

<u>STRENGTHS</u>:

- Strong relationships at corporate offices.
- Close ties between GM plants and their local dealers.
- Hyster Company product has proven itself in tough GM applications
- Hyster Company is an American provider.
- AC electric product and the promise of Next Generation electric trucks.
- Quick response to issues and concerns.
    - GM is very pleased with service response since the appointment of a dedicated automotive service manager.

<u>WEAKNESSES</u>:

- Ergonomic issues with large electric truck (E70-120).
    - While GM is very pleased that the electric line is being redesigned (particularly that we have involved them), our large electric truck is perceived as ergonomically outdated and poor. They are anxiously awaiting the new electric line in this range.
- GM's current economic situation is abysmal. Their credit rating is very low. With little credit available to car buyers, they have been badly hurt by the overall economic climate in the US.
- There will be few to no purchases during 2009. GM has closed several plants and will have surplus equipment to shift from plant to plant.

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OPPORTUNITIES:

- Our new electric line will be very attractive to GM.
- We can assist GM with remarketing some of their surplus equipment and thus tie them to us while we have no official agreement through GM Purchasing

THREATS:

- Our current contract has expired. This opens the door for purchasing to go to bid on each order.
- GM's economic status is precarious at best.

STRATEGY:

- I will keep in close touch with GM and offer assistance wherever we can, in order to maintain as close a relationship as possible while they work through their crisis. Q1 – Q4
- I have invited GM to ProMat. It is unclear if anyone will be able to attend. I will demo the new electric line in GM plants.   Q1
- If GM's financial status brightens, I will pursue an agreement through GM Worldwide Purchasing to try to avoid them continuing their bid process. Q2 – Q4
- I will visit local plants with local dealers to keep them aware of our relationship with GM and our plans to keep that relationship in the future. Q1 – Q4   Goal 2 visits per quarter

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