HYSTER COMPANY

Americas Division

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

ACCOUNT: Lear Corporation

BACKGROUND:
Lear Corporation is one of the largest suppliers of automotive interior systems and components. They supply seats, seat systems, electronic products and electrical distribution systems, along with other interior products. They have fared better than some of the other suppliers because they never limited themselves to providing product for The Big 3. They've always included some of the imports in their customer base. They are a Fortune 500 company. Annual sales are around $17 billion.
Hyster Company and Toyota are the two recognized forklift suppliers for Lear. Each plant has autonomy to choose one of the two. We've also run into a couple of situations where the corporate office allowed a local plant to retain another supplier if they could show a strong financial case.

STRENGTHS:
- We have a very good relationship with the senior buyer.
- Close ties between some of the Lear plants and their local dealers.
- Lear likes our product and responsiveness.

WEAKNESSES:
- We have not been able to get past the senior buyer to higher level decision makers. Lear is a very closed organization with traditional purchasing procedures.
- Lear has the slowest ordering process I've ever encountered. It takes at least 6 months from the time we hear an order may be coming to the time we get a PO. There are several approval levels it must pass.

OPPORTUNITIES:
- We have presented Lear with a proposal to become their sole supplier. That proposal has been on hold because of Carl Icahn's proposal to purchase Lear.

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THREATS:

- The interiors division of Lear will probably be taken over by The Icahn Group (Carl Icahn). His bid has been accepted by their Board and the deadline has passed for other bids. They are still able to talk with group that expressed an interest during the bid consideration process. One Board member is opposed to the takeover – this whole scenario will delay orders for some time this year.
- The Icahn Group approached Hyster Company a year and a half ago to become its supplier for all of its buying group companies. We have been trying to work out a national account agreement.
- I've gotten the impression that we're the front runner in the sole supplier bid, but Toyota is a customer of Lear and that may play into the award. There is no clear indication whether they'll go single source or stay with two suppliers.

STRATEGY:

It will help greatly if we get acceptable language worked out with Icahn quickly.
I will continue to work with the senior buyer to keep Hyster in this account, and will continue to work on individual location quotes. I've also communicated with the dealers that I've sensed frustration with Toyota on the service level and encouraged them to contact their local Lear plants.

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