HYSTER COMPANY

Americas Division

SUBJECT: 2009 SWOTS 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 good relationship with the senior buyer.
- There are 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.
- Lear sold off part of its business. They have gone through some pain during their reformation.

OPPORTUNITIES:

- Our equipment has performed very well in Lear plants. This gives us an opportunity at repeat business.
- Lear is still committed to Hyster as one of its recognized suppliers. There's an opportunity to become even more entrenched.

Hyster Company • 1400 Sullivan Drive • P.O. Box 7006 • Greenville, North Carolina • 27834-7006
Toll Free: 1-800-HYSTER1 Main: 252-758-4978 Fax: 252-931-7877 www.hyster.com www.hysteramericas.com

<u>THREATS</u>:

- As Lear has reorganized, some of the local plants have tried to go outside the approved corporate suppliers. I will be visiting some of the Lear plants to cement our relationships and emphasize our product differentiation from competitors.
- Toyota has done well at Lear, too, and we need to be aware of their presence.
- We've been unable to complete a national account agreement yet with Lear.
- Lear is caught up in the rapid decline of the automotive industry.

<u>STRATEGY:</u>

- Lear and IAC are separate but closely related companies. We've quoted to both. IAC has not purchased any equipment. I have only done 14 quotes for Lear this year, and they have not purchased or leased anything from us. According to their senior buyer, we have only lost a couple of small deals to Toyota – they have simply not procured equipment because of their financial situation. They do not anticipate any purchases in at least the first quarter of 2009. I will continue to talk with corporate about opportunities. Q1 – Q3
- I will continue to push for an agreement, although they've been willing to sign quotes to complete orders.   Q1
- I will visit several of their plants with local dealers in 2009 to acquaint them with me and what we can do for them through our national account program. Q1 – Q4 Goal of 2 visits per quarter

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