HYSTER COMPANY

Americas Division

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

ACCOUNT: *Leggett & Platt*

BACKGROUND:

Leggett & Platt, a pioneer in the development of steel coil bedsprings, is a diversified manufacturer that designs and produces a range of engineered components and products that can be found in many homes, offices, retail stores and automobiles. The company is North America's leading independent manufacturer of the retail store fixtures and point of purchase displays; carpet underlay; adjustable beds; components for office furniture; non-automotive aluminum die castings; drawn steel wire; components for residential furniture and bedding; automotive seat support and lumbar systems; and bedding industry machinery for wire forming, sewing and quilting.

Leggett & Platt operates through over 300 facilities in over 20 countries spanning North America, Europe, Asia and Australia. The company's business is organized into 29 business units, which are classified into 11 business groups and five segments: residential furnishings, commercial fixture and components, industrial materials, specialized products and aluminum products.

Hyster is one of 2 preferred vendors for Leggett & Platt with Caterpillar. In recent years Hyster has realized only about a 35% share in orders placed, with Cat getting the balance.

STRENGTHS:

- Improving relationships with key decision makers
- We are working on a lease with full maintenance agreement with full support of upper management.
- Hyster products are out performing the cat trucks in numerous locations.

WEAKNESSES:

- Upper management is tight with Weise who is acting as the lead dealer for Cat. Weise has done an excellent job in marketing within L&P resulting in getting a large majority of the orders as well as developing strong relationships through out the company.
- Cat is pricing their trucks very aggressively in competitive bids.

Hyster Company ▪ 1400 Sullivan Drive ▪ P.O. Box 7006 ▪ Greenville ▪ North Carolina ▪ 27834-7006

Main: 252-758-4978 Fax: 252-931-7877 Toll Free: 1-800-HYSTER1 www.hysteramericas.com

HYSTER COMPANY

Americas Division

<u>OPPORTUNITIES</u>:

- Hyster and its dealers have an opportunity to take back some of the share by developing relationships and demoing the Hyster products in the local account
- The lease with full maintenance agreement will push these accounts to rotate their fleets sooner resulting in more units being purchased in an effort to dump numerous older trucks.
- When Hyster has been demoed next to the Cat, the closing rate has significantly increased.

<u>THREATS</u>:

- Hyster has an uphill battle to replace a strong relationship that goes all the way up to the VP of Purchasing.
- Branches are very cost conscious, so careful attention is required when specifying the truck.

<u>STRATEGY</u>:

Hyster as a whole needs to commit to developing relationships throughout L&P. Each location is only able to purchase Hyster or Cat, so we know what we are selling against. The more successful approach has been to quote the more basic truck and upsell the options such as DuraMatch.