HYSTER COMPANY

Americas Division

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

Account: SAIA Freight, Nashville TN

<u>Background:</u>

SAIA Freight is part of a holding company for which SAIA is the parent. They are growing through acquisitions and chief buyer for fork trucks is out of Nashville, TN. They have 130 terminals across 34 states. Although they have a few Toyota, Hyster and other brand trucks, these are trucks they acquired through mergers. Their exclusive provider is Nissan and Nissan is firmly entrenched. Recent visit of April 11, 2007 was disappointing in that although we were informed first quarter no acquisitions by SAIA, it was discovered that they placed an order for 100 trucks without going out to bid. It appears they are very satisfied with Nissan and I was informed that unless I had a significant price advantage with acquisition cost, they would likely not switch vendors. I appreciate their candor.

Last year, Hyster and dealer put in a truck for evaluation in the LA office of SAIA. The operators did not care for the truck for it was not what they were used to, according to Mike. He saw the seat side hydraulics and felt it would be an albatross in the terminals because he manages hours of trucks and they rotate from terminal to terminal. We also failed to have a trucker mast but it was something he was fine with. The operators also did not like the controlled power reversal and when I probed for setting, he indicated it was adjusted but seed was sown. He was determined to keep the discussion to his pleasure with Nissan and fine support they receive across the US.

<u>Strengths:</u>

- Hyster has a great truck for trucking. The e-hydraulic mini-levers should really bring value for it is proven at Estes with foot movement with addition of scales and computer terminal. Since operators don't know better, they are in the dark.
- US strong dealer presence with Hyster and name recognition

<u>Weaknesses:</u>

- SAIA is reluctant to stray from their proven vendor.
- Operators have significant say in decision and although Mike is clear they do not make final decision, the capability of our truck is minimized due to familiarity concerns.
- Nissan has priced a bare bones truck and will likely stay the course.
- No known problems with Nissan and according to Mike, they have benchmarked outside of their domain to other freight companies and feel that Toyota and Nissan do a great job covering the industry
- Inertia.

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<u>Strategy:</u>

I plan on staying in focus with Mike and offering a dare to compare demo if he will accommodate my plan. I threw the option out and it hit cold silence. I will also stay focused on "parts" opportunity for they buy lots of parts for the terminals. My belief is we will come under Nissan by 10-12%, I have stated such. I also belive if the opportunity arises for receptive audience, a second demo would be in order and the truck should be left for a few weeks for receptivity. Operators will influence the decision.

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