HYSTER COMPANY

Americas Division

SUBJECT: 2009 SWOTS Analysis

ACCOUNT: Boise Cascade

BACKGROUND:

Boise Cascade manufactures engineered wood products, plywood, lumber, and particleboard and distributes a broad line of building materials. The company also manufactures specialty and premium paper products, printing and converting papers, containerboard and corrugated boxes, newsprint, and market pulp.

It is my understanding that Boise Cascade has been a long time and Loyal Hyster national account. Hyster currently provides about 75% of Boise's material handling equipment with Linde, Toyota and Caterpillar constantly trying to break into this account.

STRENGTHS:

- Strong relationships with corporate buyer as well as the local Operation Managers throughout the country.
- Product loyalty seems to be very strong with the majority of Boise locations.
- Committed dealer network willing to do whatever is necessary to insure that the customer is not only satisfied with the product but also with their level of service.
- Knowledgeable dealer network that is very familiar with Boise equipment specifications.

WEAKNESSES:

- Product issues with the XL and XM, many of these trucks are still in service and are requiring frequent maintenance.
- Parts pricing from Leavitt appears to be 20% or so cheaper than parts from the local Hyster dealer. This has lead the customer to believe that Boise Cascade is not receiving national account pricing on their parts from Hyster.
- Dennis Saijo has mentioned that this would be a very quiet year for forklift purchases due to economy.

OPPORTUNITIES:

- There seems to be some support from local Operations Managers to lease all new units and to get them on a planned replacement schedule which should assist us in getting rid of some of the older units and reduce the amount of years between orders.

- There are some opportunities to replace some XM units if Boise can get the moneys approved, there were several facilities that were waiting to see if we could fix our overheating problem and make it through a summer without any issues and we have been successful.

THREATS:

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The Safe Choice

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- A prolonged decrease in new housing starts has reduced Boise's profitability and has forced corporate to look into closing some of their mills.
- Economic long term forecasts do not suggest any positive movement in the housing industry however just the opposite, the forecast is fore the housing market to hit rock bottom next June. This will have a significant negative impact on Boise's ability to purchase new equipment in '09.
- Cat, Toyota, Linde and Taylor aggressively pursuing Boise's business and coming in with significantly lower prices for comparably equipped machines.

STRATEGY:

- To continue to work closely with Dennis Saijo and make sure that we are getting every opportunity to provide quotes for new equipment.
- Continue to resolve any product issues with any of the Boise locations in a timely manner further strengthening our position.
- Learn more about Boise's business so that I can become a resource for Dennis Saijo and not just another salesman, this should add value to the Hyster product and help fortify our relationship with Boise, making it that much more difficult for our competitors.

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