HYSTER

HYSTER COMPANY

Americas Division

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

ACCOUNT: *WASTE MANAGEMENT*

STRENGTHS:

- Heavy waste & recycling applications show the quality of the Hyster truck. Fortis has been embraced by the facilities that have ordered new units.
- Two approved vendors, Hyster and Toyota. Individual facilities do not have to get a competitive quote. The dealer that calls on the facility and makes solid recommendations for improvement or replacement normally wins the business.
- Hyster provides the paper industry application package on most of the units sold to Waste Management. Toyota is not offering the equivalent package.
- Strong corporate purchasing program that supports the two preferred vendor approach to new equipment purchases.

WEAKNESSES:

- Largest facilities normally only have no more than 6 units and they are garbage applications, so the local facilities frequently don't get as much local coverage as larger and cleaner application fleets.
- Hyster normally is priced higher than Toyota when there is a side by side comparison.
- Waste Management is organized in three areas of operational differentiation – Recycling, Landfill & Disposal. Often the different local operations don't communicate about equipment. Having a relationship at the Recycling Center does not necessarily mean that the Landfill will know that the Hyster dealer is an established preferred supplier.

OPPORTUNITIES:

- Waste Management corporate purchasing is vendor neutral with regard to which vendor is named by the local facility for new equipment. Calling on the local facilities by the Hyster dealer is key in winning the business with Waste Management. The dealers that establish relationships with the Waste Management facilities usually win the new equipment sale plus the parts and service business. The Waste Management applications are big consumers of parts and many of the facilities are recognizing that working on forklifts is not a core competency. This is especially true of the recycling facilities.
- Waste Management does not have a disciplined approach to equipment replacement. Solid cost savings proposals to a local facility especially on units 4 or more years old often creates an approval to purchase new equipment.
- Waste Management is investigating Fleet Management with Hyster Fleet Services.

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<u>THREATS</u>:

- The most recent three (3) year contract expires on 12/31/07. Hyster and Toyota are expected to be offered additional contracts for 3 more years. Two additional vendors are also being approved for the next contract. Those two vendors are expected to be Cat and Nissan. Comparison pricing will likely become a much likely early in the next contract. Local dealer activity by the Cat & Nissan will likely happen once the new contracts are awarded.

<u>STRATEGY</u>:

- Energize the dealer organization to call on local Waste Management facilities. The dealers that call on local facilities normally get the preference for new equipment plus parts and service.
- Establish the Hyster Parts Portal for Waste Management for ease in access to parts ordering and imbedding Hyster in the ordering process.
- Engage Hyster Fleet Services in order to help Waste Management better control the replacement cycle for equipment. Propose an offering that includes service dispatch and integrated parts ordering.