Territory Management

Account Planning

HYSTER

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Account Planning

Real World

The Safe Choice

Account Planning – Real World

1	2	3
Desirable	Point of Entry	Account Plan
Vulnerable	Dealer Contact Match	Actions Defined
Aligned		Owners Named

Account Planning – Real World

What outcome did we expect from yesterday?

- In front of more customers at the right time
- Less fragility in the account base
- Controllable income streams
- Avoids commodity mentality
- Engages the entire team for positive results everyone can enjoy
- Become a true Solutions Provider

Account Planning – Real World

- Hyster and Dealer libraries of tools are extensive.
- Learning to use them in a proactive fashion is key.
- Should not be used only to match competition.
- Deploy them on your desirable and vulnerable accounts as part of an Account Plan.
- Account targeting exercise
  - **Desirable, Vulnerable, Aligned**

Account Planning – Real World

"I want to know a customer ***wants*** to do business with us before we discuss price."

Need a game of catch with customer in order to identify:

1. Pain to remove
2. Value to add

Account Planning – Real World

- Who should be in the game?

Customer

Warehouse Manager
CFO
Purchasing Agent
Maintenance Supervisor
Owner
Safety Engineer

Dealer / Hyster

Account Manager
Customer Service Representative
Finance Manager
Branch Manager
Dealer Principal
Technician

Account Planning – Real World

How do we start the game?

- Open ended questions to identify points of entry
- Multiple decision makers may lead to multiple points of entry

Examples…

  - What are you trying to accomplish?
  - What challenges are you confronted with today?

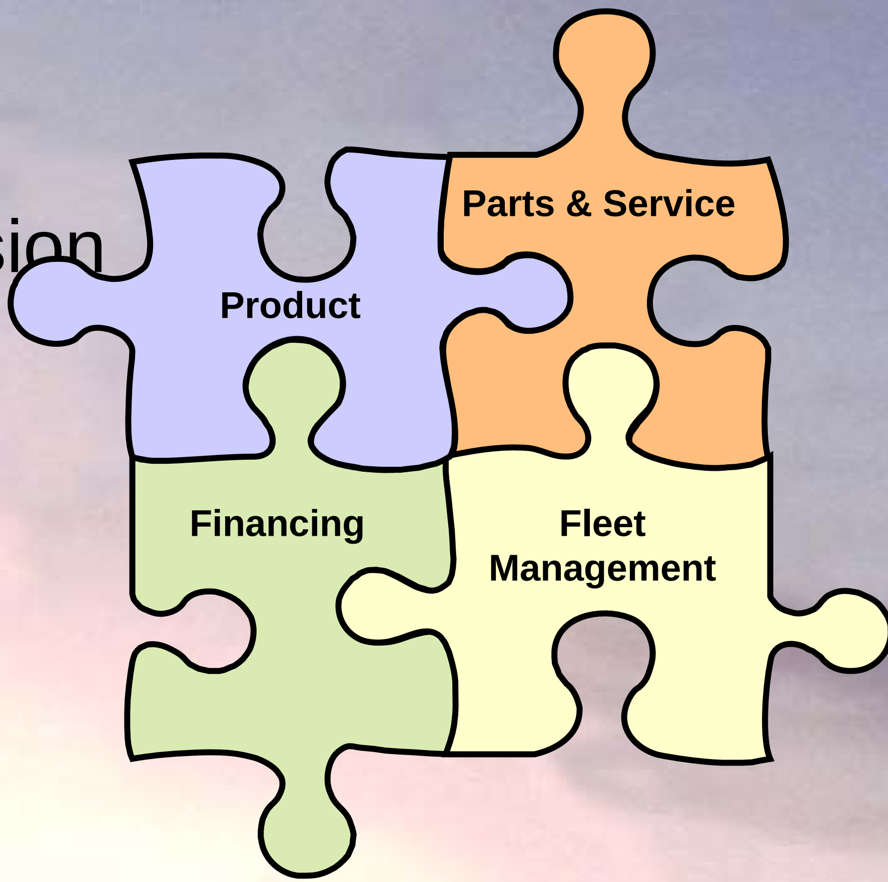
Account Planning – Real World

- Explain your methods for acquiring equipment?
- What is your current replacement strategy?
- Describe methods for maintaining your equipment?
- Please explain your current maintenance tracking?

Other questions you may have used…

Account Planning- Real World

- Solving the solution puzzle requires an understanding of decision drivers (playing catch)
- Development of comprehensive and coordinated business solution
- Monitor & measure to ensure expectations and objectives are achieved



Account Planning- Tool Box Review

- Marketing Tools
- Fleet Management Tools
- Hyster Capital Tools
- Aftermarket Tools
- Dealer Differentiators

Account Planning – Real World

- Marketing Tools
  - Multi-Media Sales Tool (MMST)
  - www.trucktruth.com
  - Virtual Invitation to Compare
  - EQGuru
  - Safe Choice “Flash” Presentation
  - Warehouse Site Survey
  - Success Stories (Web)

Account Planning – Real World

Fleet Management Tools

- Centralized Billing
- Centralized Service Dispatch
- National Maintenance Program
- Repair Threshold Service
- Power By The Hour (w/ Leasing)
- Telemetry Solutions
- Advanced Reporting
- Web Portal

Account Planning – Real World

Hyster Capital Tools

- eDFS 24/7 Quoting Tool
- Conquest Lease Product (Early Termination Provision)
- Alliance Residual Enhancement Product
- Seasonal & Skip Lease Plans
- Master Rental Fleet
- eBill / ePay Capabilities
- Documentation Flexibility
- Bonus Depreciation (FMV & Capital Leases)
- Power By the Hour (w/ Maintenance)
- Asset Disposal Assistance
    - Trade In
    - Remarketing Agent (Maximize gain on sale)

HYSTER CAPITAL
A Division of NMHG Financial Services, Inc.

Account Planning – Real World

- Aftermarket Tools
  - Performance Plus Parts
  - Comparative Parts Baskets
  - HyPass Online™ Functionality
  - Customer Web Portal
  - 97% Fill Rate

Account Planning – Real World

- Unique Product Features
  - Power Assist Steering
  - Load Transit Option
  - Wet Axle
  - Duramatch™
  - EZXChange™
  - Powered Lowering
  - Laser Sight
  - Higher PM Intervals

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Account Planning – Real World

- Unique Dealer Offerings
  - Parts Courier Services
  - Allied Equipment
  - Training Programs
  - Consulting Services
  - First-time fix statistics
  - Rental Inventory
  - Access to $175MM Parts Inventory
  - Performance Assurances
  - Dealer Network Strength

Success Stories

Whirlpool- Marion, OH (153 new trucks)

- Internal maintenance was costly and unreliable
  - Avg. Fleet age 8 years
  - Union considerations
  - Onsite Maintenance for 500+ assets
  - Centralized invoice broken down by dept
  - Visibility to repair data via web portal
  - Threshold repair limits
  - ID Systems

Success Stories

Flextronics- Memphis, TN (124 New I,II, III)

- Travel time for maintenance as pain point.
  - CSR Response
  - Fleet Solutions
  - Warehouse Site Survey
  - Direct Debit from Hyster Capital
  - Black Box Technology
  - Hyster and Dealer Performance Assurance

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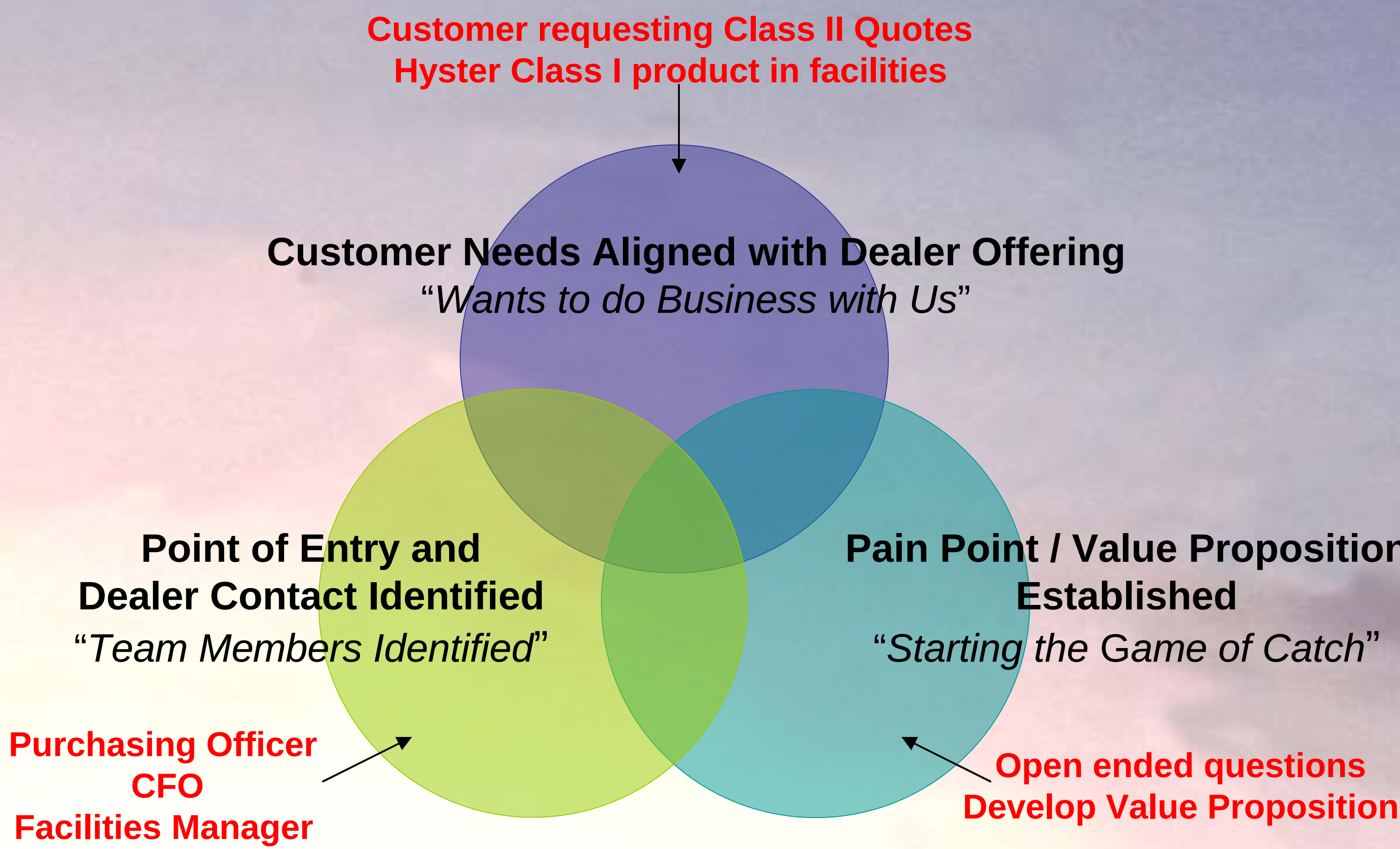
Case Study



Time to Start the Game of Catch …

Case Study Instructions

Step 1: ***Pain point/value proposition established***

- Read the brief customer profile below
- Review the results from "playing catch"
- Categorize the results into the four functional boxes (Product, Financing, Fleet Management, Parts and Service)

Step 2: ***Point of Entry and Dealer Contact Identified***

- Determine the actions needed to address the issues
- Determine the process owners for each action

Step 3: ***Customer needs aligned with dealer offering***

- Prepare a brief, 5 minute proposal for the customer. One team will be asked to demonstrate their solution to the whole group.

Team Assignments

TEAM 1 **Name** **Name** **Name** **Name**	**TEAM 2** **Name** **Name** **Name** **Name**
TEAM 3 **Name** **Name** **Name** **Name**	**TEAM 4** **Name** **Name** **Name** **Name**

Case Study Background

- Cold storage provider with 25+ facilities across the United States. Their customer base includes food product producer and wholesale distributors. Customer would be considered vulnerable based on their continued requests for quotes and desirable based on Class I, II & III concentration.

Playing Catch Results

- Contract provider of cold storage solutions
- 25+ facilities across the United States
- 50% located in metropolitan areas
- Fleet in excess of (800) units
- Class I, II and III mix
- Customer accounts are on fixed term contract with renewals
- Require inventory management and telemetry device to monitor productivity
- Majority of maintenance and repair is performed by in house technicians (Suspect quality of cost of operation information)
- Product availability is of primary importance
- Range of truck specifications is relatively narrow
- Account has some leased equipment
- Majority is owned and resides on the balance sheet
- Average fleet age in excess of 5 years
- Privately held company
- Per hour cost of operation > $3.00
- Downtime and rental expense increasing

Categorizing Catch Results

- Product: Leading questions should identify customer's product concerns and challenges
- Financing: What are the customer's financing patterns? Who do they have relationships with today? Credit quality?
- Fleet Management: Is coordination across dealer territory important? Is productivity and cost of operation reporting important? Is telemetry needed to determine cost of operation?
- Parts & Service: How is equipment maintained today? Are maintenance and service costs tracked by asset? Is outsourcing an option?

Account Planning – Cold Storage Company

Product
- Availability is critical
- Class I & II & III
- Narrow spec range in each Class

Parts & Service
- Majority done internally
- Fleet 5+ years of age – maintenance costs increasing
- Cold storage facility
- 2 shifts in most facilities
- Upwards to $3.00 per hour to maintain equipment

Financing
- Lease and loan mix
- Need remarketing assistance
- Privately held entity may have capital constraints
- Customers on fixed term contracts (lease flexibility required)

Fleet Management
- No cost of operation data
- 25+ facilities (need coordination)
- Many in metropolitan markets
- Fleet in excess of 800 units

Account Planning – Cold Storage Company

Proposal Preparation

- Perform site surveys to determine inventory, usage and correct specifications
- Engage Fleet Management (Hyster or internal) to perform assessment, optimize fleet and provide recommendations
- Engage Hyster Capital to quote FMV lease product to bypass potential capital budget constraints
- May offer early termination provision to address contract supply relationship
- Evaluate existing fleet and craft asset disposal strategy
- Determine if credit quality dictates special lease pricing

Account Planning – Cold Storage Company

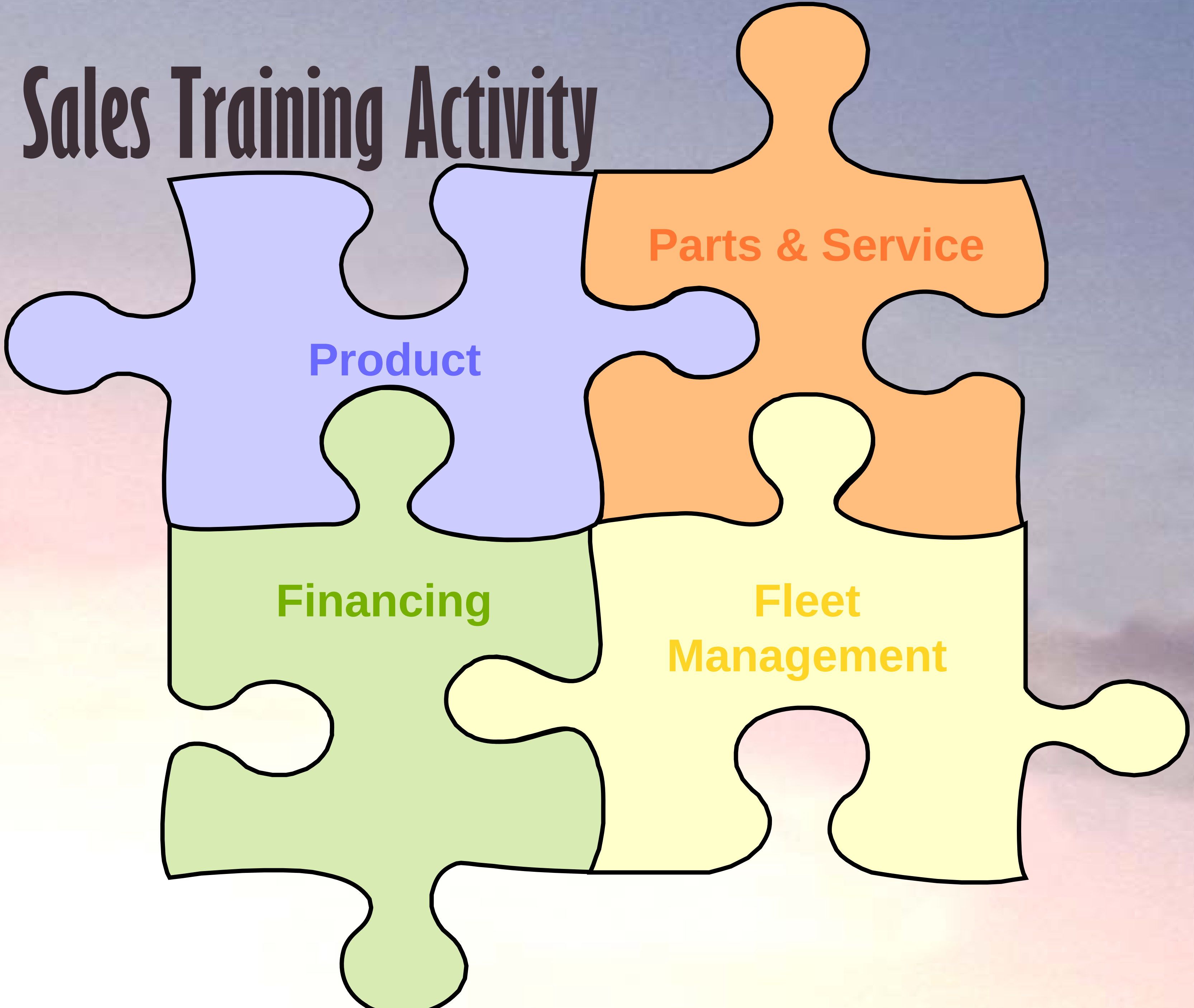
Proposal Preparation

- Develop maintenance offering and pricing structure
- Solicit out of territory dealer acceptance
- Can Master Rental Fleet units can be used to supplement immediate Class II need
- Negotiate battery pricing and residual enhancements

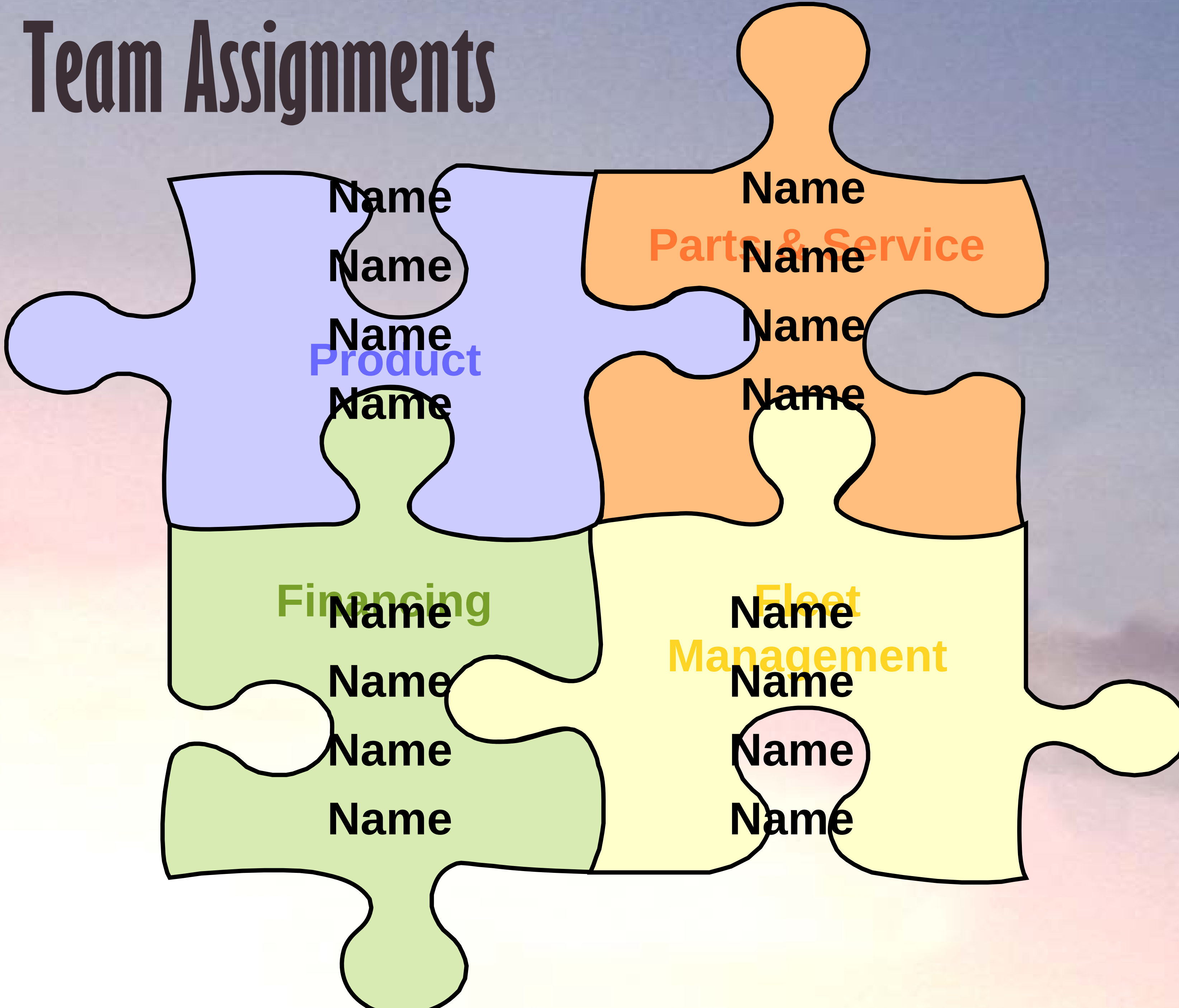
Account Planning – Cold Storage Company

- Present solution
  - The right specifications
  - Optimization recommendations
    - New replacement opportunities
    - Fleet reduction/ rotation opportunities
  - Quote lease with maintenance combined
  - Offer Fleet Management to create visibility to fleet costs
  - Show estimated savings
  - Ask for the order!

Sales Training Activity



Team Assignments



Activity Instructions

Step 1: ***Break into teams by functional solution***

Step 2: ***Prepare a sales meeting for a group of newly hired sales people***

- 5 Critical success factors
- 5 Strategic open ended questions

Step 3: ***Each team will present results***

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Account Planning- Cold Storage Company

- Quantitative representation of solution and ability to measure performance is essential
- Achieving targets is critical in customer retention

Assumptions:

•100 unit replacement

•Cost of Operation > $3.00 p/hour, 10% inflation

•FMV instead of Capital Lease

IRR	**99.5%**
NPV (@.15%)	**$73,937**
Discounted Payback (Years)	**2.89**

	YEARS					
	1	2	3	4	5	TOTAL
OUTFLOWS:						
Lease Expense	($468,000)	($468,000)	($468,000)	($468,000)	($468,000)	($2,340,000)
Full Maintenance Expense	($199,200)	($199,200)	($199,200)	($199,200)	($199,200)	($996,000)
Fleet Management Fees	($10,000)	($10,000)	($10,000)	($10,000)	($10,000)	($50,000)
Telemetry Expense	($5,000)	($5,000)	($5,000)	($5,000)	($5,000)	($25,000)
TOTAL OUTFLOWS:	($682,200)	($682,200)	($682,200)	($682,200)	($682,200)	($3,411,000)
INFLOWS:						
Maintenance Cost Reduction	$348,000	$383,000	$421,000	$463,000	$510,000	$2,125,000
Equipment Price Inflation Avoidance	$125,000	$0	$0	$0	$0	$125,000
Trade In Value Positive Variance	$30,000	$30,000	$30,000	$30,000	$30,000	$150,000
Productivity Enhancement	$75,000	$75,000	$75,000	$75,000	$75,000	$375,000
Rental Expense (Downtime Avoidance)	$25,000	$50,000	$75,000	$75,000	$100,000	$325,000
Soft Cost Reduction ($75 per transaction)	$90,000	$90,000	$90,000	$90,000	$90,000	$450,000
TOTAL INFLOWS:	$693,000	$628,000	$691,000	$733,000	$805,000	$3,550,000
TOTAL NET FLOWS (A+B)	$10,800	($54,200)	$8,800	$50,800	$122,800	$139,000
DISCOUNTED FLOWS @15% (A+B)	$10,800	($47,130)	$6,654	$33,402	$70,211	$73,937