Hyster Sales Manager
BOOT CAMP

June 9-11, 2008

Pleasant Valley Dude Ranch
Lyons, Colorado

HYSTER
The *Safe* Choice

Directed Sales Management

Why are we here?

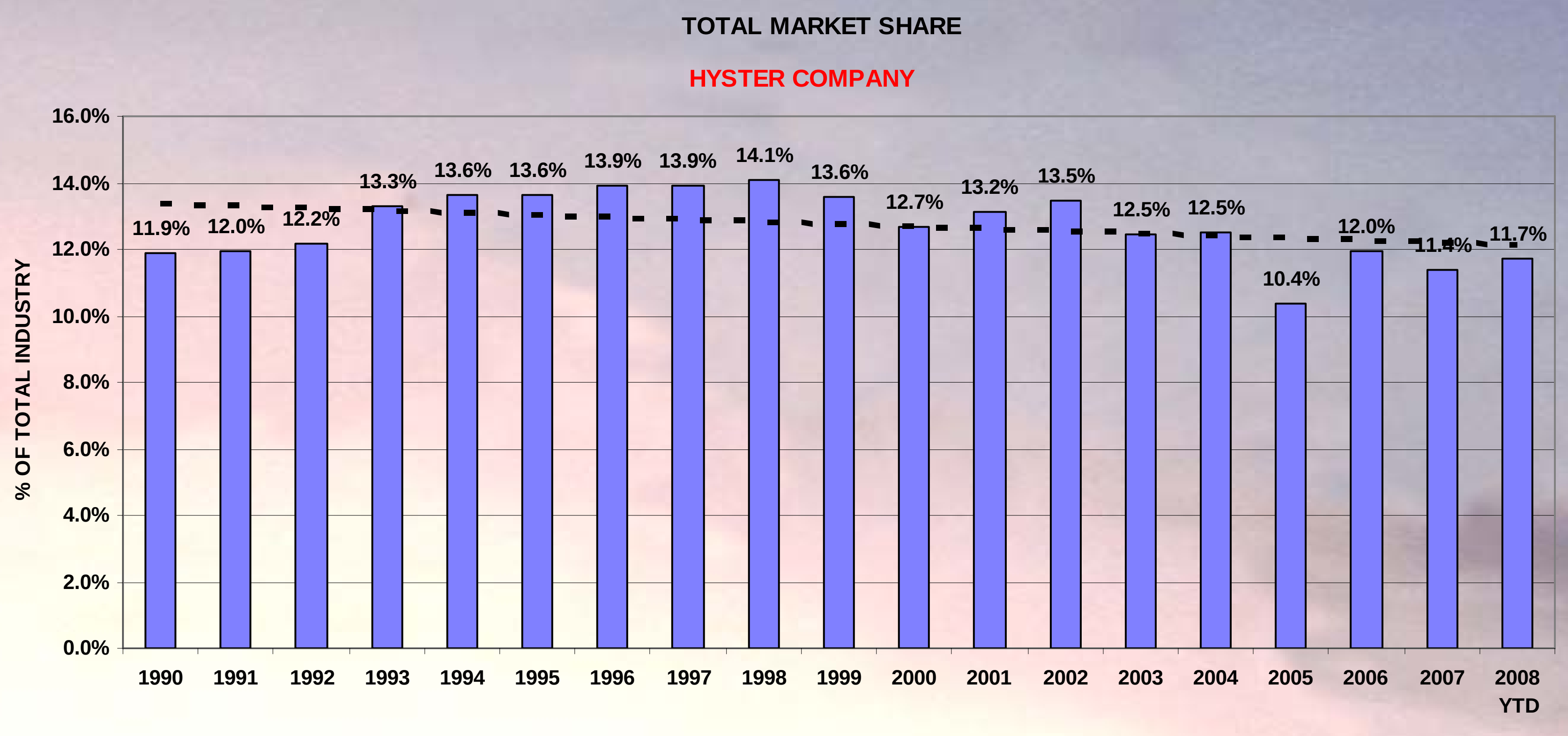
HYSTER

The *Safe* Choice

Why are we here?

- Are you satisfied with where you are?
- Is your share growing?
- Is your installed base sufficient to support your aftermarket and rental departments?
- Are you meeting your financial targets? Is the trend line healthy?
- Are your results dependent on too few key accounts?
- Do you serve at the pleasure of your sales force?
- Are customer activities being driven by us or are we responded to whims?

Why are we here?



HYSTER
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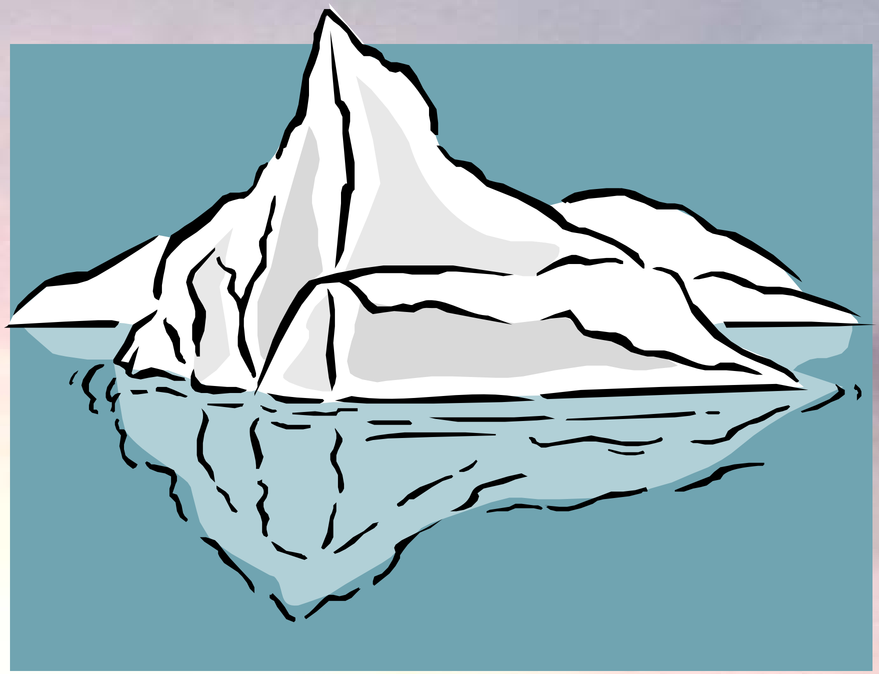
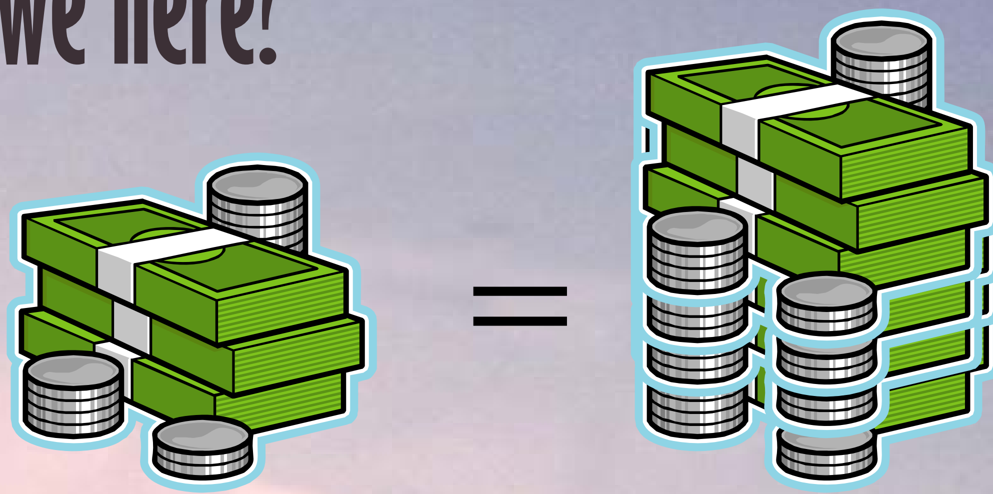
Why are we here?

- Margin Compression
- Less Aftermarket Consumption
- Customer Satisfaction Dips
- Fragility in Account Base



Why are we here?



	Incremental Revenue					Incremental Gross Profit				
	Units	Parts	Service	Rental	Total	Units	Parts	Service	Rental	Total
I	$26,875,090	$11,825,040	$10,212,534	$4,837,516	$53,750,180	$1,881,256	$3,547,512	$5,821,144	$2,128,507	$13,378,420
II	$9,026,882	$3,971,828	$3,430,215	$1,624,839	$18,053,764	$1,083,226	$1,191,548	$1,955,223	$714,929	$4,944,926
III	$4,916,250	$2,163,150	$1,868,175	$884,925	$9,832,500	$589,950	$648,945	$1,064,860	$389,367	$2,693,122
IV	$35,851,480	$15,774,651	$13,623,562	$6,453,266	$71,702,960	$4,302,178	$4,732,395	$7,765,431	$2,839,437	$19,639,441
V	$71,081,845	$31,276,012	$27,011,101	$12,794,732	$142,163,690	$8,529,821	$9,382,804	$15,396,328	$5,629,682	$38,938,635
Total	$147,751,547	$65,010,681	$56,145,588	$26,595,278	$295,503,094	$16,386,431	$19,503,204	$32,002,985	$11,701,923	**$79,594,543**

Revenue Assumptions:

- Includes Dealer margin, attachments, battery & charger
- Parts Revenue @ 44% of Incremental Unit Revenue
- Service Revenue @ 38% of Incremental Unit Revenue
- Rental Revenue @ 18% of Incremental Unit Revenue

Gross Profit Assumptions:

- Unit Gross Profit of 7% (GDBM target of 12%)
- Incremental Parts Revenue @ 30%
- Incremental Service Revenue @ 57%
- Incremental Rental Revenue @ 44%

Why are we here?

- Would you buy from us again?

Purchases 2000-2003 vs. 2004-2007	Top 20% Weighting
Gain	14%
Same	29%
Decline	57%

Why are we here?

CUSTOMER	PARTS		SERVICE		UNIT SALES		RENTAL		OTHER		TOTAL	
NAME	REVENUE	GP	REVENUE	GP	REVENUE	GP	REVENUE	GP	REVENUE	GP	REVENUE	GP
1	$42,879.80	$14,571.89	$12,727.13	$7,840.11	$734,488.64	$269,702.27	$9,803.63	$8,593.63	$468,750.75	$212,393.01	$1,268,649.95	$513,100.91
2	-$1,388.08	-$1,352.38	$182,326.14	$96,783.77	$423,041.55	$63,333.77	$0.00	$0.00	$70,029.71	$28,548.06	$674,009.32	$187,313.22
3	$3,345.84	$1,581.41	$45,183.12	$36,568.86	$765.00	$150.00	$536,458.27	$535,458.27	$41,663.73	$29,146.80	$627,415.96	$602,905.34
4	$0.00	$0.00	$0.00	$0.00	$473,755.48	$35,519.27	$0.00	$0.00	$48.68	$48.68	$473,804.16	$35,567.95
5	$0.00	$0.00	$351,630.78	$234,825.95	$0.00	$0.00	$4,060.55	$2,752.30	$0.00	$0.00	$355,691.33	$237,578.25
6	$36,866.20	$14,572.14	$128,767.16	$92,242.67	$0.00	$0.00	$166,364.74	$66,364.74	$20,163.95	$9,163.00	$352,162.05	$182,342.55
7	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$330,489.18	$130,489.18	$12,988.63	$1,298.00	$343,477.81	$131,787.18
8	$0.00	$0.00	$153,738.31	$75,933.34	$389.00	$100.00	$174,813.53	$71,360.53	$7,022.08	$1,405.36	$335,962.92	$148,799.23
9	$0.00	$0.00	$0.00	$0.00	$303,959.32	$21,657.07	$0.00	$0.00	$0.00	$0.00	$303,959.32	$21,657.07
10	$0.00	$0.00	$129,924.11	$67,443.87	$155,891.85	$83,111.98	$1,053.79	$1,053.79	$15,110.63	$9,947.15	$301,980.38	$161,556.79
11	$0.00	$0.00	$0.00	$0.00	$301,933.00	$28,546.39	$0.00	$0.00	$0.00	$0.00	$301,933.00	$28,546.39
12	$0.00	$0.00	$0.00	$0.00	$296,151.00	$39,742.00	$0.00	$0.00	$0.00	$0.00	$296,151.00	$39,742.00
13	$8,504.14	$3,143.33	$0.00	$0.00	$0.00	$0.00	$160.71	-$214.29	$272,560.50	$72,560.50	$281,225.35	$75,489.54
14	$3,855.26	$1,233.54	$22,884.01	$15,518.69	$120,516.00	$2,294.41	$127,554.38	$26,109.38	$0.00	$0.00	$274,809.65	$45,156.02
15	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$229,704.99	$129,716.87	$4,643.53	$643.53	$234,348.52	$130,360.40
16	$107,045.62	$45,113.05	$27,486.89	$18,460.71	$35,192.00	$3,397.19	$0.00	$0.00	$63,986.90	$7,029.10	$233,711.41	$74,000.05
17	$53,522.81	$22,556.53	$13,743.45	$9,230.36	$17,596.00	$1,698.60	$0.00	$0.00	$31,993.45	$3,514.55	$116,855.71	$37,000.03
18	$0.00	$0.00	$220,548.98	$90,075.59	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$220,548.98	$90,075.59
19	$37,171.98	$14,220.60	$1,275.43	$971.08	$161,217.11	$92,178.88	$0.00	$0.00	$14,754.21	$9,802.05	$214,418.73	$117,172.61
20	$4,648.93	$1,554.71	$128,355.88	$71,284.49	$4,882.50	$1,676.80	$61,932.63	$61,182.63	$4,987.50	$931.50	$204,807.44	$136,630.13
21	$25,889.47	$10,905.19	$161,111.52	$84,311.35	$0.00	$0.00	$16,605.36	$16,605.36	$0.00	$0.00	$203,606.35	$111,821.90
22	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$192,894.64	$163,417.74	$6,550.36	$6,550.36	$199,445.00	$169,968.10
23	$10,917.62	$4,607.03	$90,036.06	$53,802.90	$91,805.70	$15,436.22	$0.00	$0.00	$4,164.59	$1,289.04	$196,923.97	$75,135.19
24	$3,855.26	$1,233.54	$22,884.01	$15,518.69	$120,516.00	$2,294.41	$127,554.38	$26,109.38	$0.00	$0.00	$274,809.65	$45,156.02

Fragility of account base dictates having a plan.

Why are we here?

Has the market changed?

If so–

Have our methods changed?

If yes-

How?

Are we looking in the mirror?

Why are we here?

- Markets have changed
  - Reverse Auctions
  - Purchasing Committees
  - CARB / Green Initiatives
  - Mix of classes
- Companies have changed
  - Faster rotation of contacts
  - Productivity requirements
  - Customer and Competitor Savvy
- We have changed
  - More tenure
  - Turnover
  - Position to the Marketplace

Why are we here?

- Expectations must be established and tools implemented to monitor success against those expectations.
- A retail salesperson that does not perform pulls down the sales manager, which pulls down the dealership, which pulls down Hyster. The same is true for success. We are all in this **together**.
- The cheese has moved - waiting for retail call-in traffic will never feed the funnel at the top line. We must be actively directing the sales force toward desirable and vulnerable accounts.

Directed Sales Management

- Building a Powerful Machine

Directed Sales Management

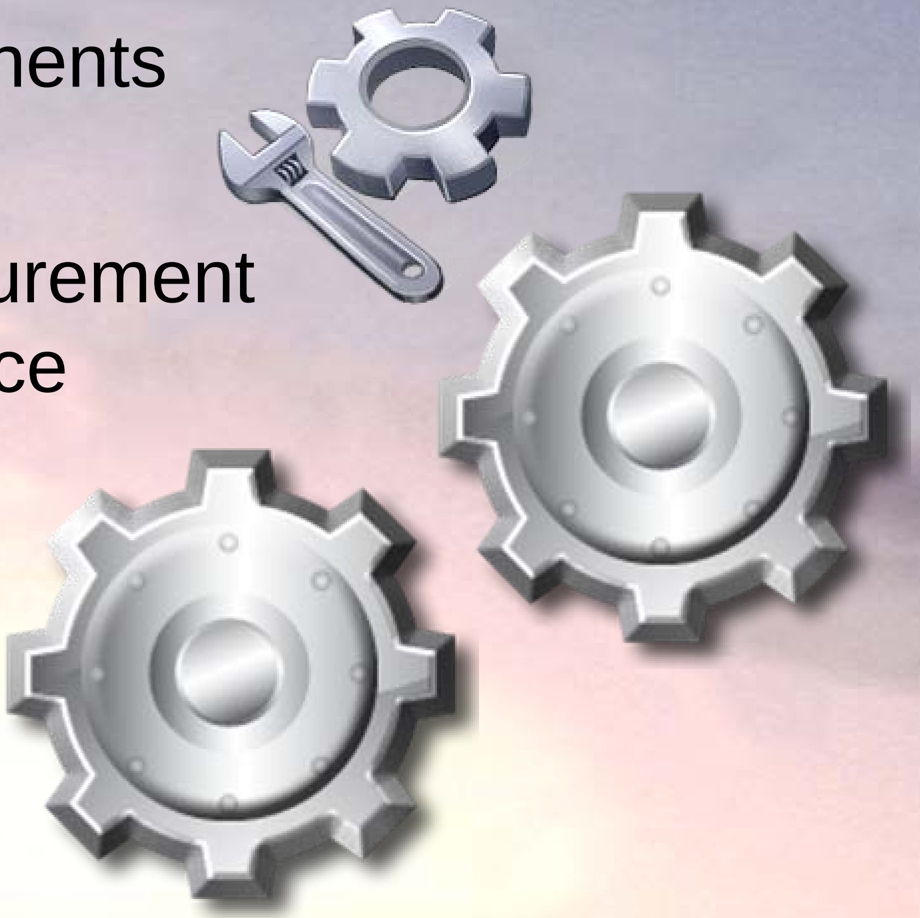
- Building a Powerful Machine
  1. Critical Components

Directed Sales Management

- Building a Powerful Machine
  1. Critical Components
  2. Proper Design

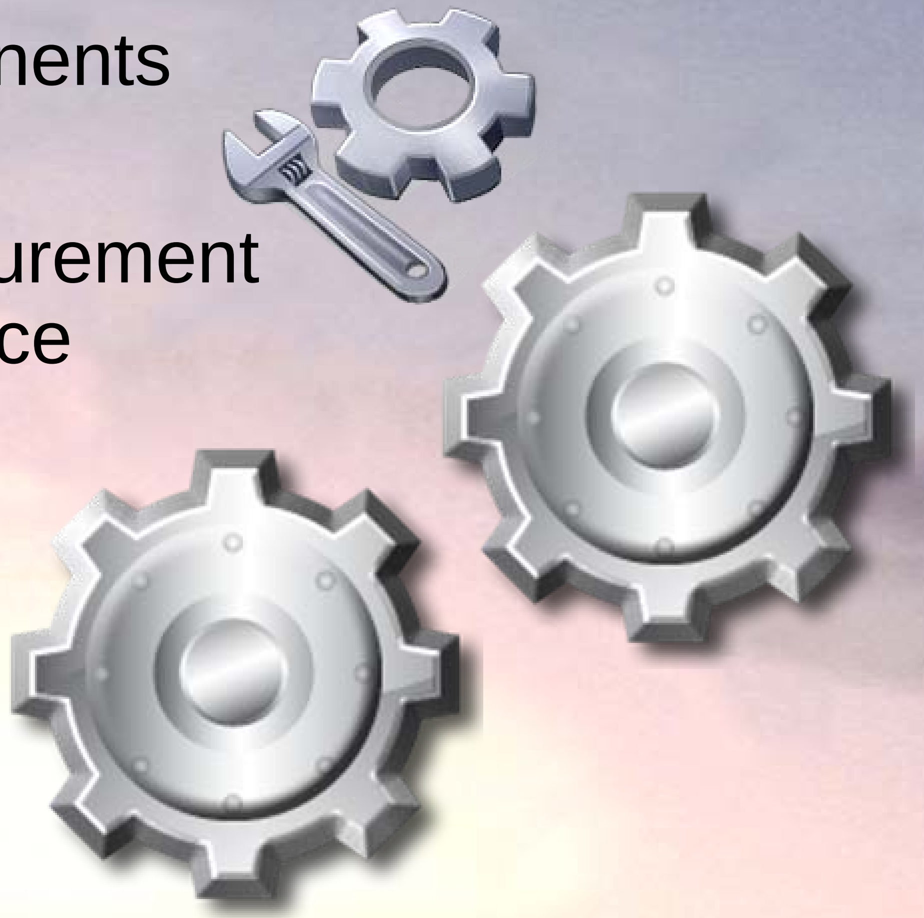
Directed Sales Management

- Building a Powerful Machine
  1. Critical Components
  2. Proper Design
  3. Ongoing Measurement and Maintenance



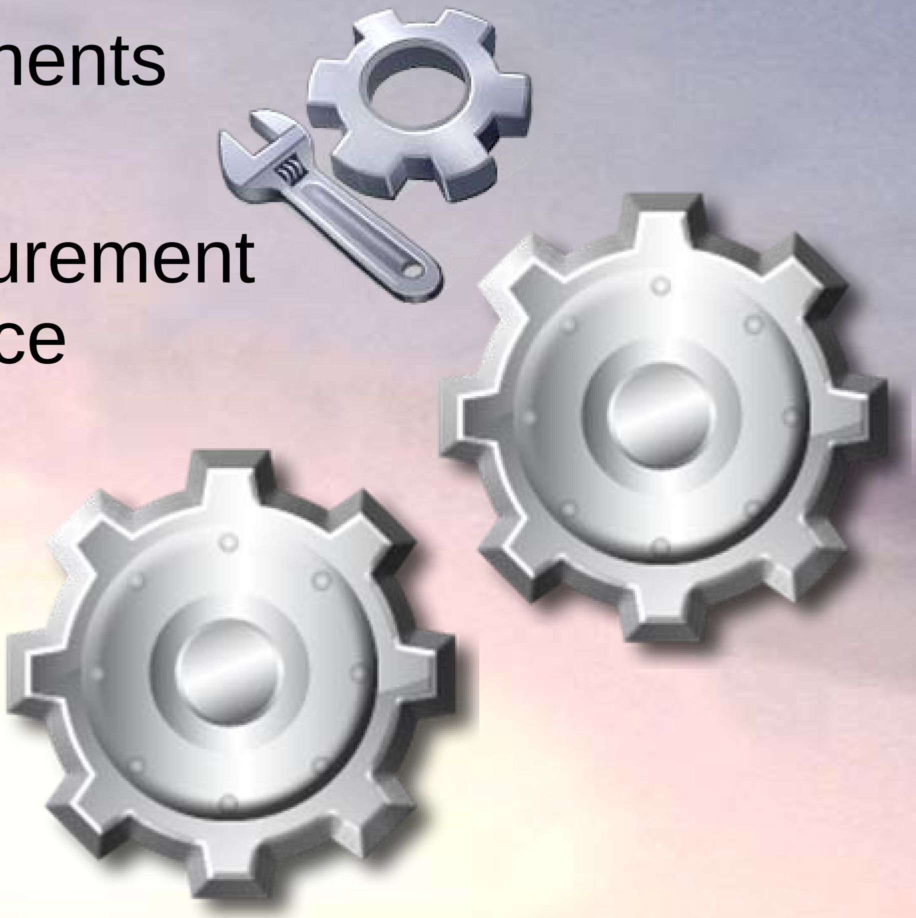
Directed Sales Management

- Building a Powerful Machine
  1. Critical Components
  2. Proper Design
  3. Ongoing Measurement and Maintenance
- When properly designed and assembled…



Directed Sales Management

- Building a Powerful Machine
  1. Critical Components
  2. Proper Design
  3. Ongoing Measurement and Maintenance
- When properly designed and assembled…
- Drives Output



Directed Sales Management

Critical Components

- Three Critical Gears must Mesh
  1. Who
  2. What
  3. How

Directed Sales Management

Critical Components

- Three Critical Gears must Mesh
  1. Who am I going to call on?
     - Coverage Philosophy
  2. What
  3. How

Directed Sales Management

Critical Components

- Three Critical Gears must Mesh
  1. Who am I going to call on?
     - Coverage Philosophy
  2. What am I going to do when I get there?
     - Account Planning
  3. How

Directed Sales Management

Critical Components

- Three Critical Gears must Mesh
  1. Who am I going to call on?
     - Coverage Philosophy
  2. What am I going to do when I get there?
     - Account Planning
  3. How can I maximize the selling time?
     - Territory Design

Directed Sales Management

Coverage Philosophy

Territory Design

Account Planning

Directed Sales Management

Proper Design

- Expectations Established
  - Financial Targets
  - Unit Targets
  - Process Expectations
    - Call Activity
    - Quote Activity
    - Time Allocation
    - Reporting Requirements

Directed Sales Management

SALES FORECAST — YEAR: 2008

Salesperson Name: Scott Alexander **Date:** 4/1/2008

Product	Sell Price	Quantity	Total Sell Price	GP%	GP	% Commission	Commission
Class I	$ 24,000.00	11	$ 264,000.00	10.50%	$ 27,720.00	30.00%	$ 8,316.00
Class II	$ 25,000.00	6	$ 150,000.00	12.00%	$ 18,000.00	30.00%	$ 5,400.00
Class III	$7,500.00	15	$ 112,500.00	6.00%	$ 6,750.00	30.00%	$ 2,025.00
Class IV	$25,000	20	$ 500,000.00	6.00%	$ 30,000.00	30.00%	$ 9,000.00
Class V	$28,000.00	20	$ 560,000.00	8.00%	$ 44,800.00	30.00%	$ 13,440.00
Personnel Carriers	$8,000.00	8	$ 64,000.00	10.00%	$ 6,400.00	30.00%	$ 1,920.00
Railcar Movers	$250,000	1	$ 250,000.00	10.00%	$ 25,000.00	30.00%	$ 7,500.00
Large capacity cushions	$180,000.00	1	$ 180,000.00	10.00%	$ 18,000.00	30.00%	$ 5,400.00
Attachments			$ -		$ -		$ -
Batteries			$ -		$ -		$ -
Chargers			$ -		$ -		$ -
Used Trucks	$10,000.00	24	$ 240,000.00	25.00%	$ 60,000.00	30.00%	$ 18,000.00
Ship ins			$ 300,000.00	2.50%	$ 7,500.00	30.00%	$ 2,250.00
			$ -		$ -		$ -
			$ -		$ -		$ -
TOTALS			**$ 2,620,500.00**		**$ 244,170.00**		**$ 73,251.00**

Captures Financial and Unit Targets – Simple but Powerful Tool

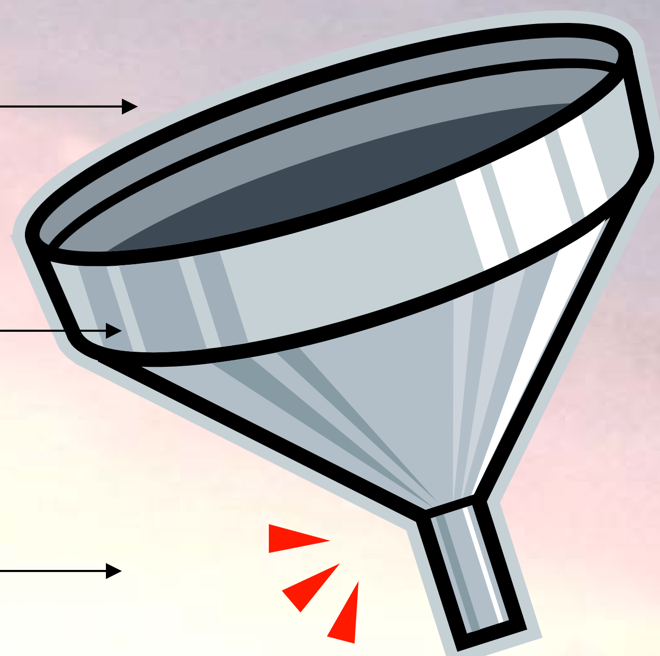
Directed Sales Management

Check the math – is the sales team aligned with your business needs?

Awareness = **50%**

Closure = **30%**

Share = **15%**



- ❑ Gross Profit
- ❑ Calls per Day
- ❑ Units / Quarter
- ❑ Training
- ❑ Maintenance Contracts

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Directed Sales Management

Ongoing Measurement and Maintenance

- Measuring Results
- Managing Performance
  - Skills Assessment
  - Performance Reviews

Directed Sales Management

- ❑ Gross Profit
- ❑ Calls per Day
- ❑ Units / Quarter
- ❑ Training
- ❑ Maintenance Contracts

Directed Sales Management

Quote Number:	Quote Name:	Customer Name:	Sales Person First N	Sales Person Last N	Date Created:	Expiration Date	Status
76-11313076	Copy of 70-10530670	Rock Mountain Steel	John	Collacott	5/1/2008	5/22/2008	Closed
69-11313969	69-11313969	Milling Machinery Inc.	Josh	Harwood	5/1/2008	5/31/2008	Open
69-11314969	CULLIGAN	CULLIGAN	Mike	Brown	5/1/2008	5/31/2008	Open
69-11314969	CULLIGAN	CULLIGAN	Mike	Brown	5/1/2008	5/31/2008	Open
70-11319870	70-11319870	INTERMOUNTAIN GALVANIZING	Nicolas	Srogus	5/1/2008	5/31/2008	Open
75-11321475	Tire Handler Demo	Arnold Machinery Company	Don	Cole	5/1/2008	5/31/2008	Open
75-11321575	Tire Handler Demo	Arnold Machinery Company	Don	Cole	5/1/2008	5/31/2008	Closed
76-11321976	76-11321976	Huish Detergents	Gary	Millerberg	5/2/2008	6/1/2008	Open
76-11322376	76-11322376	Huish Detergents	Gary	Millerberg	5/2/2008	6/1/2008	Open
75-11322575	75-11322575	WINGBOLT LEASING & INVESTMENT CO.	Dan	Barnes	5/1/2008	5/31/2008	Ready to Order
69-11322869	Copy of 76-11234876	Rocky Mountain Power	Troy	Parsons	5/2/2008	6/1/2008	Open
69-11322869	Copy of 76-11234876	Rocky Mountain Power	Troy	Parsons	5/2/2008	6/1/2008	Open
75-11322875	75-11322875	American Furniture Warehouse	Ralph	Fryday	5/1/2008	5/31/2008	Open
75-11322975	75-11322975	WINGBOLT LEASING & INVESTMENT CO.	Dan	Barnes	5/1/2008	5/31/2008	Ready to Order
75-11325075	75-11325075	Huish Detergents	Gary	Millerberg	5/1/2008	5/31/2008	Open
76-11325576	76-11325576	Milling Machinery Inc.	Josh	Harwood	5/2/2008	6/1/2008	Open
75-11325975	75-11325975	Huish Detergents	Gary	Millerberg	5/1/2008	5/31/2008	Open
76-11329076	76-11329076	Nelson Scrap Metal Inc.	Gary	Millerberg	5/2/2008	6/1/2008	Open
76-11329076	76-11329076	Nelson Scrap Metal Inc.	Gary	Millerberg	5/2/2008	6/1/2008	Open
76-11329076	76-11329076	Nelson Scrap Metal Inc.	Gary	Millerberg	5/2/2008	6/1/2008	Open
76-11329076	76-11329076	Nelson Scrap Metal Inc.	Gary	Millerberg	5/2/2008	6/1/2008	Open
70-11332770	70-11332770	Laron Inc.	Rich	Gillespie	5/2/2008	6/1/2008	Open
76-11341076	76-11341076	BAND-IT	Dave	Blanco	5/4/2008	6/3/2008	Open
75-11347675	75-11347675	DAVID ASCENCIO	Dan	Barnes	5/5/2008	6/4/2008	Ready to Order
75-11347775	75-11347775	BAND-IT	Dave	Blanco	5/5/2008	6/4/2008	Open
76-11351576	76-11351576	NUTRACEUTIX	Steve	Haddock	5/5/2008	6/4/2008	Open
76-11353476	76-1					008	Open
75-11354875	75-1					008	Open
76-11363376	76-1					008	Open
70-11368070	70-1					008	Open
75-11372875	75-1					008	Open
75-11372875	75-1					008	Open

Quote Activity

- Review open deals for status and intervention
- Eliminate duplications
- Review quote dollars vs. value required to meet plan

Directed Sales Management

Directed Sales Management

Salesman Skill Assessment

Rate each category on a scale of 1 – 5

1 = Excellent
2 = Good
3 = Adequate
4 = Below Par
5 = Poor

Refer to the criteria definitions by category to apply a common standard.

Category	*Scale*				
Product Knowledge:	1	2	3	4	5
Selling Skills:	1	2	3	4	5
Planning Skills:	1	2	3	4	5
Proposal Development:	1	2	3	4	5
Computer Skills:	1	2	3	4	5
Time Management:	1	2	3	4	5
Territory Management:	1	2	3	4	5
Fleet Management Concepts:	1	2	3	4	5
Financial Selling:	1	2	3	4	5

Assessment

- Relevant and Desired Skills Reviewed
- Training Plan Developed
- Accountable Check-ins

Directed Sales Management

Product Knowledge:

- Working knowledge of Hyster product and how it is applied. Working knowledge of competitive product by class. Understands how a competitor will sell against him.

☑ Relevant and Desired Skill?
☑ Adequate Field Time to Assess?

Directed Sales Management

Selling Skills:

- **Displays excellent use of open and closed end questions. Uses confirmation techniques, handles objections well and closes at every opportunity.**

☑ Relevant and Desired Skill?
☑ Adequate Field Time to Assess?

Directed Sales Management

Planning Skills:

- **Plans calls well in terms of a specific objective and understanding of the key issues of the person being called on. Has segmented his market and defined accounts by size. Has a strategy in place to retain existing accounts and convert prospective accounts.**

☑ Relevant and Desired Skill?
☑ Adequate Field Time to Assess?

Directed Sales Management

Proposal Development:

- **Proposals are always accompanied by a cover letter and a description of the project objectives and proposed solution. Appropriate support material is included. Financial and service programs are always offered.**

❑ Relevant and Desired Skill?
❑ Adequate Field Time to Assess?

Directed Sales Management

Computer Skills:

- **Uses a computer as an active tool in his sales activity. Internet access and knowledge. PowerPoint and Excel capable. Active use of a contact management system.**

- ❑ Relevant and Desired Skill?
- ❑ Adequate Field Time to Assess?

Directed Sales Management

Time Management:

- **Demonstrates structure to his or her daily plan. Time properly allocated for customer contacts and administrative responsibilities.**

❑ Relevant and Desired Skill?
❑ Adequate Field Time to Assess?

Directed Sales Management

Territory Management:

- **Has a system that lays out for a full month what sections of the territory he will be in and tentatively who he will be seeing. <u>Call frequency matches dealership customer profile priorities</u>.**

- ❑ Relevant and Desired Skill?
- ❑ Adequate Field Time to Assess?

Directed Sales Management

Fleet Management Concepts:

- **Understands the cost issues involved in a customer's mobile equipment fleet and incorporates this information into day to day selling as well as major projects.**

- ❑ Relevant and Desired Skill?
- ❑ Adequate Field Time to Assess?

Directed Sales Management

Financial Selling:

- **Beyond offering a payment program, the salesman has an understanding of basic tax and accounting issues related to finance sales. An understanding of a customer’s use of credit and capital structure are also qualities of the excellent performer.**

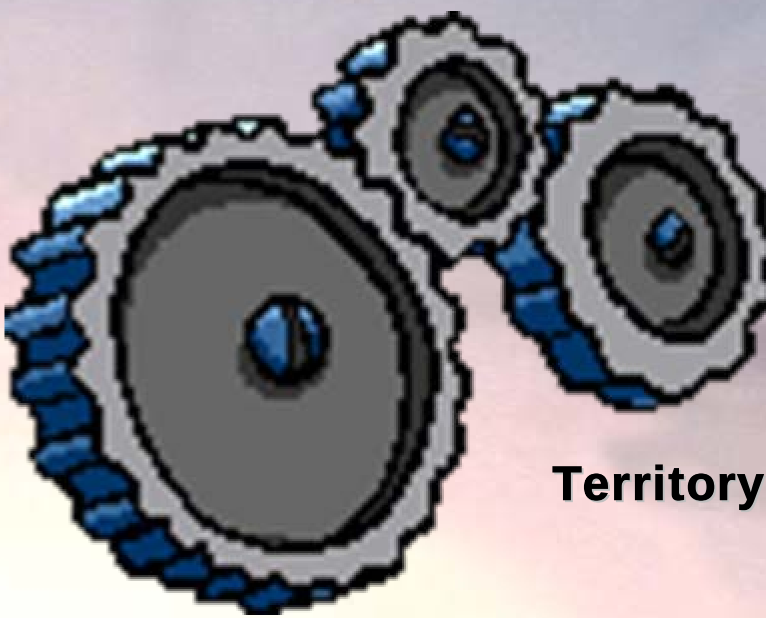
❑ Relevant and Desired Skill?
❑ Adequate Field Time to Assess?

Directed Sales Management

1. Design the Machine

2. Set the Expectations

3. Manage Performance
    a) Measure
    b) Assess



Why are we here again?

- Widening the customer base is the most critical initiative facing the dealer population
- What percentage of your database is the sales representative selling to?
- How many customers does it take to reach 50% of your revenue?

Why are we here again?

- Personnel recruitment, development and retention is the second most pressing issue.

Why are we here again?

- If we do not manage the sales process…
- We will manage the crises that fall out.
  - Last minute discount needs
  - Unreasonable delivery requests
  - Extended warranties and payment terms identified after terms and conditions have been proposed
  - Parent company discovered in another dealer's Managed Account or Hyster Company National Account list.
  - Negative impact on support system
- Collectively we are too powerful to be managed by our markets.