



Selling the Fleet

MASTERY STATEMENT:

When you have successfully completed this section you will understand:

- What a fleet is
- Decisions that fleet managers make when purchasing lighting
- The significance of the Grote value-added program to the fleet
- The benefits of a trilateral relationship between the fleet, the distributor, and Grote Industries
- How to transfer knowledge of the fleet to selling the fleet on a Grote Performance Advantage Program™
- Making the Sales Presentation

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The first name in vehicle
safety systems®

WHAT IS A FLEET?

A fleet is a group of vehicles used on roadways. Fleets exist for various purposes and can come in different sizes that can range from one vehicle to hundreds of vehicles. Aside from fleets of roadway vehicles, there are various other types of fleets, such as maritime fleets which could be relative to Grote Industries, but are not covered in this section.

Private Carriers

Private carriers are companies that own fleets of tractors and trailers in the business of selling or moving product, transporting to points of distribution. Examples of private carrier fleets include UPS, Wal-Mart, and PepsiCo. Private carrier fleets invest capital in their own equipment, drivers, and maintenance facilities. They have chosen to be in the trucking business as a cost-cutting measure to avoid contracting for freight services. Private carriers are conscious of cost and value the benefits of investing in technology to improve the company's Return on Investment (ROI) as a whole. These fleets utilize the following types of trailers: dry vans (which typically have wood floors and walls) refrigerated units, also known as reefers, and tankers used to carry liquid cargo.

Specialized Fleets

Specialized fleets vary in size and scope. Examples of specialized fleets include automobile haulers, logging carriers, home furnishing carriers, refuse haulers, agricultural carriers, and ambulance, fire, and emergency service providers. An example of a large specialized fleet is Duke Energy. Others are small by comparison, such as ambulance fleets that are often less than 100 pieces of equipment. These specialized fleets have unique equipment that affords focused opportunities for Grote products. For example, the utility companies need powerful spot lamps for 24-hour jobs, whereas the ambulance fleets have different needs for high-powered cool operating dome lamps. These fleets invest heavily in innovation and technology that address specific issues pertinent to their daily activities. These fleets are usually localized operations and are extremely receptive to being called on and educated with new technologies and products.

For-Hire Carriers

For-hire fleets are contracted by businesses to haul freight from point to point. These fleets can be very large, and in the last 10 to 15 years, large fleets have been purchasing smaller for-hire carriers. J.B. Hunt Transport, Inc., Swift Transportation, Schneider National, Maverick, and Stevens Transport are examples of some of the larger for-hire fleets. In some cases these for-hire fleets, such as Stevens Transport, have specialized equipment and can haul specific types of products such as frozen foods by using reefer trailers. Maverick, for example, uses flatbed trailers for hauling items such as rolled steel.

Less-Than-Truckload (LTL)

Within the for-hire category are the Less-than Truckload carriers, LTL. These carriers pick up pallets of products from various locations and deliver them to other locations. The fees are determined by the weight of the products being shipped as well as the distance traveled. The LTL will pick up various loads throughout the day from several different locations and haul the loads back to a centralized terminal. The freight will be unloaded from the trailers at this terminal, reorganized with other loads going to similar geographic locations, and then re-loaded onto different trailers. This is known as cross docking. The LTL fleets often use smaller trailers, called pups. They can pull two pups, known as tandems, or three pups, known as triples, at a time. The pup trailers can be unhooked from one another and re-hooked to other trucks, allowing freight to be redirected without unloading the trailer.



Truckload Carriers

The truckload carrier charges for a full trailer from one point to the next and is usually on a regular schedule. They are expected to be precise in delivery dates and times. The equipment consists of larger 53 foot long dry vans. These trailers do not frequent the terminals nearly as much as the LTL fleets, since there is no need to cross dock.

Owner-operators fall under the category of Truckload Carriers. Owner-operators own their own tractors and haul fully loaded trailers on a contract basis for the truckload carriers. Owner-operators can also own their own trailers. Flatbed trailers are very common in the owner-operator market.

Definitions

Bob Tail - A truck operating without trailer.

Bottom Dump / Hopper Bodies - Trailers that drop loads through the bottom of the trailer; e.g. a grain hauler.

Container / Chassis - Container - a metal box (20' or 40' long) typically shipped on cargo shipping vessels.

Chassis - a frame that a container fits on that has axles, wheels, and lights.

Dolly - A device that acts as an axle between the first and second, or second and third, trailer.

Double - Two trailers, typically 28' each.

Dry Van - A trailer, typically with wood floors, un-insulated walls, used for carrying pallets of products.

Flatbed Trailer - a trailer with a metal bed with no sides; the load, e.g. rolls of coiled steel, is tied down on top of the flatbed.

Fifth Wheel - A device that supports the front of a trailer on the power unit or dolly.

Glad Hands - Connectors that connect airline hoses.

Kingpin - A device that connects the trailer to the fifth wheel.

Livestock - A metal framed open air trailer used in the transportation of livestock.

Low Boy - A trailer with no sides, multiple axles, used to transport heavy equipment such as bulldozers, etc.

Nose Box - A connector that connects the tractor's electrical harness to the front of a trailer.

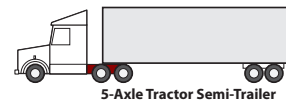
Pintle Hook - A steel connector that latches to an eye for towing a dolly.

Reefer - A refrigerated trailer with insulated walls and tops; used to transport foods and perishables.

Tanker - A fully enclosed, generally cylindrical trailer used to haul liquids.

Yard Mule - A piece of equipment used at the terminal to move trailers about the terminal facilities.

Conventional Combination Vehicles



5-Axle Tractor Semi-Trailer

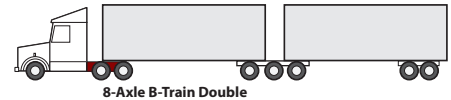


Twin 28.5 ft. Double or STAA Double

Larger Combination Vehicles



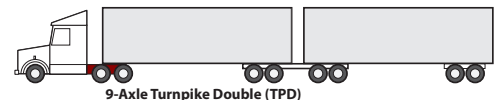
7-Axle Double or Rocky Mountain Double (RMD)



8-Axle B-Train Double



10-Axle Resource Hauling Double



9-Axle Turnpike Double (TPD)



Triple Trailer Combination

DIRECTOR OF MAINTENANCE/V.P. OF MAINTENANCE

The Director of Maintenance (DOM) is the individual responsible for fleet equipment and its maintenance. DOM responsibilities vary from organization to organization and from fleet to fleet. A little research done while meeting with a DOM will help to determine the scope of that DOM's responsibilities. This person will control the spec'ing of new equipment. Sometimes there is more than one DOM. One director might be for the power units and another for the trailers. The DOM will determine what brands of parts are to be installed as replacements in the most economical manner possible. The common thread among all DOMs is to reduce the costs of the operation.

Initial sales calls should start with the DOM. Parts managers report to the DOM. The parts managers are responsible for managing the inventory of on-hand replacement parts. The parts managers are more readily available, but do not have the decision making ability regarding programs and program changes.

Cost Per Mile

Cost per mile is a phrase discussed within DOM circles. This calculation is simply the total costs of the operation divided by the total miles driven. The fleets calculate these figures as a gross dollar amount for the entire operation; some fleets actually break this figure down by vehicle and by driver. A given driver's overall average speed and average acceleration rate plays a significant role in the analysis of the cost per mile. Other contributing costs are maintenance and downtime.

Maintenance incorporates parts, labor, and the shop's overall operating costs. Often times the parts managers prefer buying based on price only and do not fully realize the true cost of ownership of a part. The true cost of ownership incorporates the acquisition of the part, the part's longevity, and the labor time and cost to replace that part. DOMs understand the logic of the total cost of ownership, but typically do not apply this logic to lighting products. Instead they apply this logic to brake jobs and the replacement cycle of filters. Most DOMs are unaware of the fact that the cost to replace a failed lamp far exceeds the acquisition price of such a lamp. This concept is illustrated very well with the ROI LED Worksheet (GLB 9921). The ROI LED Worksheet, seen in Figure 6a, depicts an iceberg. The acquisition of the part is illustrated by the portion of the iceberg exposed above the water. The larger part of the cost is illustrated by the substantial mass of iceberg still under the water. Most DOMs understand the Grote ROI concept, but not many apply it to their lighting needs. High cost is the common excuse given when asked why a fleet is using incandescent lighting and not LED. The acquisition price of an LED is generally unknown to the DOM when determining justification of LEDs to the ROI.

Quality and Continuity of Parts

The DOMs are also faced with being in the parts business. They never originally intended to be in the parts business, but as the fleets grew so did the need for replacement parts. The larger fleets spend a substantial amount of money on replacement parts and have parts just sitting on the shelf. The DOM will instruct the parts managers to reduce the inventory because the cost-to-carry the parts is very expensive. The logic to reduce the carrying cost is sound, but usually the parts managers simply purchase less expensive, inferior quality products.

The goal for the DOM is to have the inventory investments at acceptable levels with parts that will actually minimize the other costs incurred while doing business such as labor, downtime, citations, service calls, etc. Purchasing inferior parts does reduce inventory dollars. However, it creates a negative impact upon overall maintenance costs by causing downtime and frequent replacement of inferior parts.

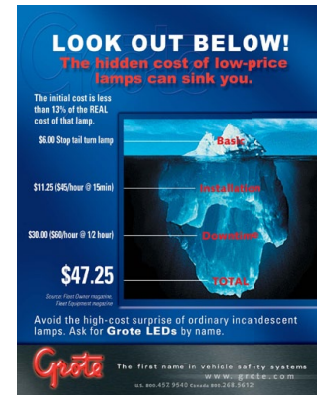
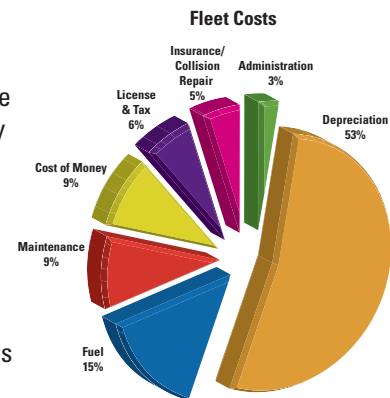
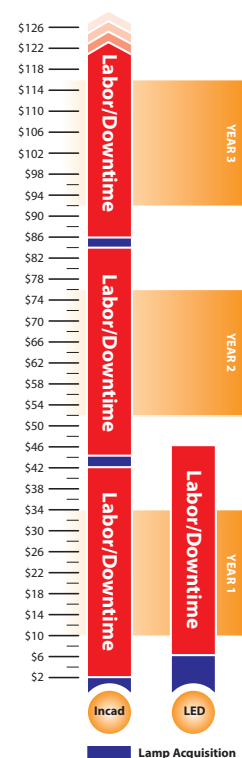


Figure 6a



Real Cost of Ownership Incandescent vs. LED



This accelerates the replacement cycle, increasing the associated cost of replacing the failed parts. Many fleets subscribe to “cheapest price” purchasing practices and often times the DOM is unaware of these practices.

This exact scenario is one reason Grote LED products need to be introduced to the fleet DOM. In some cases, the Grote product may cost three times more, than an incandescent lamp. For example, instead of \$2 for a marker lamp, a Grote LED unit might cost \$6. The real cost of ownership of a marker lamp, however, is closer to \$40 when labor and downtime are considered. Therefore, the total cost of incandescent lamp ownership would be \$80 every two years (assuming a 12-month life cycle) while the Grote LED would cost \$44 for the same time frame - \$40 plus the additional \$4 part cost (see “Real Cost of Ownership” graph).

The actual return on investment for the Grote LED is steadily increasing as LED prices go down and maintenance costs go up. The quickest, most accurate way to illustrate this scenario is on the ROI calculator found on the Grote website in the fleet section. This calculator allows DOMs to input their own data and deduce real-time calculations pertinent to their organization.

Inventory of Parts

The actual inventory of parts on the fleet’s shelf is often anything but a masterpiece of inventory control. In some organizations, parts are identified with a proprietary part number and assigned to bin locations. In others there is a haphazard parts organization. Refuse companies generally fall into the latter category, causing duplication of parts for similar applications. The DOMs are very aware of parts proliferation, i.e. numerous different parts on hand for similar tasks. Some DOMs do attempt to control this problem.

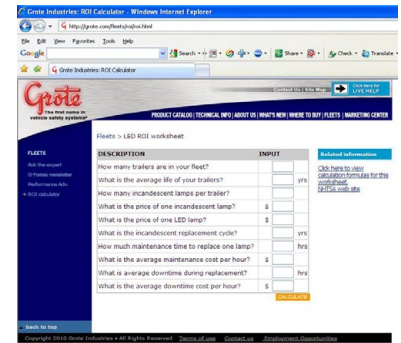
The idea of having fewer choices of parts is key to cost containment. Grote has agreed, in some instances, to assist in the consolidation of parts by sending duplications back to the original point of purchase. It is not uncommon for the fleet to have multiple lamps that fit the same applications. Grote has also developed a re-label program that allows all bin boxes to have preprinted labels. The Grote sales representative actually validates all the on-hand parts and consolidates the inventory. This service has been well received. This activity actually can initiate a fleet survey where all equipment is reviewed and the appropriate lamps, pigtailed, brackets, grommets, mirrors, and flashers are reviewed by equipment. This activity drives the spec of Grote products on new builds because the consolidation idea is already in place.

Compliance Safety and Accountability

CSA is the Federal Motor Carrier Safety Administration’s new initiative intended to increase our highways’ safety by using a monitoring and grading system of both fleets and drivers. The program was once referred to as CSA 2010 because July 2010 was the expected release date. The program now is recognized as CSA and the 2010 reference has been dropped.

Compliance Safety and Accountability (CSA) measures seven different aspects of fleet/ driver safety. These seven measurable, called BASICs are: unsafe driving, fatigued driving, driver fitness, drugs and alcohol, vehicle maintenance, loading and cargo issues, and crash indicator. The maintenance category will be discussed because it pertains to the fleet’s maintenance practices and programs.

CSA program scoring parameters are between 0 and 100. (0 being a perfect score and 100 being the worst). A maintenance score of 80% or worse (higher) for a general fleet or 75% for a hazardous material fleet is cause for government intervention. Interventions involve focus either at the fleet’s terminal or abroad and would result in guidance or corrective actions to resolve the compliance issues. Typical



Online ROI calculator



Example of a custom bin-box label



interventions involve warning letters, off site inspections, on site inspections, and then a comprehensive on-site review of all maintenance records. Ultimately the company's operating authority can be revoked and the company can be put out of business.

The equipment operator as well as the fleet has a CSA score. The fleet's score is public information and can be reviewed online.

The operator's score is private and cannot be reviewed without authorization from the individual. The web address for this process is: <http://ai.fmcsa.dot.gov/sms/Data/Search.aspx>. Once online, the search allows either the DOT number or the information to be looked up by the Fleet's name and state of origin.

Associating a fleet with its CSA score will indicate how the CSA program is impacting that fleet. Fleets that are doing well with low scores are typically receptive to discussions about the merits of the program. The fleets that have poor CSA scores are concerned and typically in the process of addressing the issues contributing to the non desirable scores.

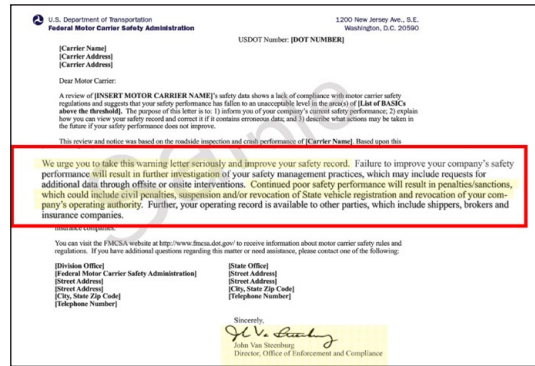
Typical contributors to poor CSA scores are non performing lights, brakes out of adjustment, faulty tire tread, and oil leakage. Lighting or inoperative lighting devices are the top two contributors throughout the country for the entire year of 2011. Lighting and lamps infractions are actually four of the country's top 11 violations. Not only is this a frequently identified problem, but the points assessed for a violation are high as well. A Stop Tail and Turn lamp that is not functioning is a 6 point violation compared to a brake violation of four points or alcohol within 4 hours 5 points. Marker lamps carry a 2 point penalty. The actual infractions by each fleet can be reviewed online by double clicking on the DOT number once the fleet is identified. Then double click on Maintenance and the details will be available.

Fleets that have adopted LED lighting are typically not subject to poor CSA scores. On the other hand, those fleets that have resisted the LED technology are typically in a less favorable position in regards to CSA. Many fleets have recently addressed these issues by converting over to Grote LED products. The Grote Select (54342) stop tail/turn allows the replacement of failed incandescent lamps to LED lamps on a one lamp at a time basis. The Grote Select has the similar appearance of the incandescent and the same termination at the pigtail. The Grote Select is also an affordable solution. The price of this product is not significantly more than an incandescent.

Grote marker lamps are also being converted to LEDs. The typical reasons in the past for not converting to LED technology have been cost, theft, and ease of retrofit. The LED products Grote now offers address all the issues, and the products are not significantly higher in price. Grote products either only have one point of light or appear to have one point of light. The pigtails used on legacy products will match up to the Grote LED products.

Training

Grote has contracted marketing research companies in the past to survey the fleets to better understand their needs. The fleets are faced with numerous day-to-day obstacles that involve, but are not limited to government regulation, driver retention, accident liabilities, waste oil, cost-per-mile issues, and maintenance of the equipment. DOMs are also faced with new technologies impacting the equipment they are purchasing as well as maintaining the equipment they currently own. The retention and recruitment of



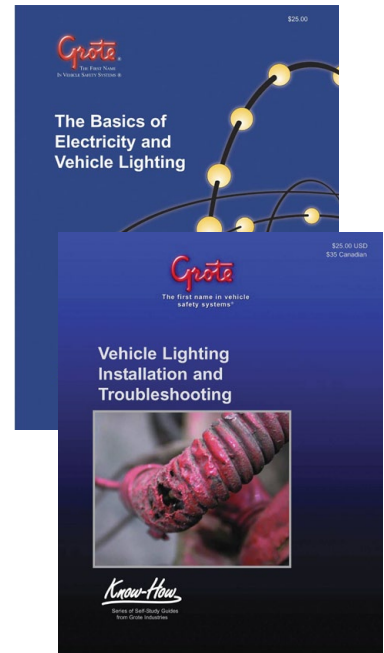
Roadside Inspections, Vehicle Violations (2011 - Fiscal)
 Data Source: FMCSA Motor Carrier Management Information System (MCMIS) data snapshot as of 12/16/2011, including current year-to-date information for 2012. The data presented below are accurate as of this date, but are subject to update as new or additional information may be reported to MCMIS following the snapshot date.
 Total number of Vehicle Inspections in FY 2011: 2,431,120
 Total number of Vehicle Violations in FY 2011: 4,097,872
 Total number of Vehicle Out-of-Service (OOS) Violations in FY 2011: 761,997

Violation Code	Violation Description	# of Inspections	# of Violations	% of Total	# of OOS Violations	OOS Pct
393.5A	Inoperative required lamps	343,888	485,110	10.22%	42,720	8.80%
393.11	Inoperative lighting devices/mechanical/electrical/equipment	274,000	461,105	9.79%	5,800	1.26%
393.5B	Inspection/repair and maintenance parts and accessories	500,174	249,244	5.31%	24,819	13.59%
393.75C	Tire—other tread depth less than 2/32 of inch	175,833	237,782	5.96%	19,848	8.39%
393.5B	Oil and/or grease leak	557,814	232,449	4.74%	4,162	1.80%
393.49B2	Failing to secure brake hose/braking against mechanical damage	148,268	218,211	4.96%	13,888	5.43%
393.47E	Clamp/Rate Chamber type brakes out of adjustment	122,291	198,120	4.17%	281	0.20%
393.15C	Clearing a CMV without periodic inspection	137,666	172,688	3.86%	128	0.07%
393.55A	Prohibited use of alcohol by the operator	188,827	169,664	3.62%	32	0.02%
393.25F	Stop lamp violations	102,124	107,811	2.67%	33,782	27.68%
393.91D	Inoperative turn signal	89,852	107,025	2.29%	44,160	41.28%
393.55B	Impaired/under the influence	86,478	78,461	1.92%	34,013	43.35%
393.55B	Automatic brake adjuster CMV manufactured on or after 10/1/85—no state	88,919	84,543	2.02%	12	0.01%
393.79	Distorted/rearview mirrors (operator/passenger)	77,244	81,083	1.94%	204	0.25%
393.63C	Damaged or discolored windshield	75,073	75,224	1.92%	81	0.11%
393.49B1	CMV unroadworthy/braking system	73,043	72,462	1.84%	11	0.02%
393.51	Brake and/or wheel assembly	68,793	65,661	1.67%	29,993	45.83%
393.581	Inoperative bell horn	58,189	64,125	1.67%	6,588	10.28%
393.51	Exhaust system (operator/passenger)	55,211	51,211	1.04%	1,211	2.37%

qualified technicians and mechanics is also a challenge as the labor pool shrinks and the necessary technical qualifications increase.

Meeting these challenges requires training. The DOMs have found that not only does a well-trained team of technicians perform better maintenance and repair on the equipment, but the retention rate is superior among the trained technicians. Therefore, the fleets' number one request from their suppliers, according to the research data gathered, is that the suppliers provide more training in regard to their parts. The idea of doing the job correctly the first time is actually measured by the cost per mile analysis discussed earlier. The DOM's technicians have a significant impact on reducing cost. The identification of the training desired by the DOMs is precisely why Grote developed the Grote Know-How Series training manuals. Currently there are two manuals: Grote Know-How I – Basics of Electricity and Vehicle Lighting; and Grote Know-How II – Vehicle Lighting Installation and Troubleshooting. This easy to understand series consists of self-study guides consisting of six chapters with quizzes at the end of each chapter. After the final chapter, a final exam is available which can be mailed to Grote corporate headquarters for final grading. The DOMs are extremely receptive to the study guides and know their technicians would benefit from the education.

It is very important that the education process be part of a Grote partnership with the fleet. Grote Know-How material should be delivered **after** the fleet has been confirmed as a Grote aftermarket and spec fleet. Supplying the training in advance results in a fleet that continues to purchase parts from our competitors. Grote Know-How training guides are the tool that no other lighting supplier can claim to have and should be coveted as a real value-add. When discussing the curriculum for a one day training session, the Grote Know-How Series is valued at \$200 per book. Training a technician for two days with both of these books would be a \$400 educational value.



Expert training programs

THE COMPREHENSIVE FLEET STRATEGY

Now that we understand what is important to the fleet decision makers, the question that remains is how to apply that knowledge. A comprehensive, well-planned fleet sales initiative is more crucial than ever when projecting future business successes. Sales of obsolescent original equipment will not drive aftermarket sales as in the past, since OEMs are moving away from incandescent lighting and toward LED lighting. The aftermarket programs will need to drive the spec business and better secure the OEM build business as well driving penetration of new technologies into the aftermarket when retrofitting is involved.

Focus

Allocate available resources to the best sales avenue available and drive the Grote value proposition to the fleet. This will allow a gain of shelf space as well as increase new builds while maximizing the entry barriers for other suppliers.

Scope

Deliver profitable sales through focused sales calls on pre-identified key fleets, aftermarket replacement/retrofit businesses, and the OEM spec'ing business.

Sales Barriers

- Larger fleet customers are often resistant to identify lighting as a key to operating costs of the overall maintenance program.
- Fleets are cutting visible costs through inventory dollars.
- Competition has a lengthy history between the largest fleet customers.
- The current Grote sales force is sometimes unable to close or create opportunities.
- Some OEM's, have up-charges for Grote spec's.



CUSTOMER PROSPECT/DEVELOPMENT AND INVESTMENT PRIORITY MATRIX

This matrix, shown below, identifies fleets/prospects and prioritizes the significance of opportunity while evaluating opportunities.

The Matrix identifies specific products that:

- Maximize gross margin potential
- Best utilize production facilities
- Create barriers for entry from low cost suppliers

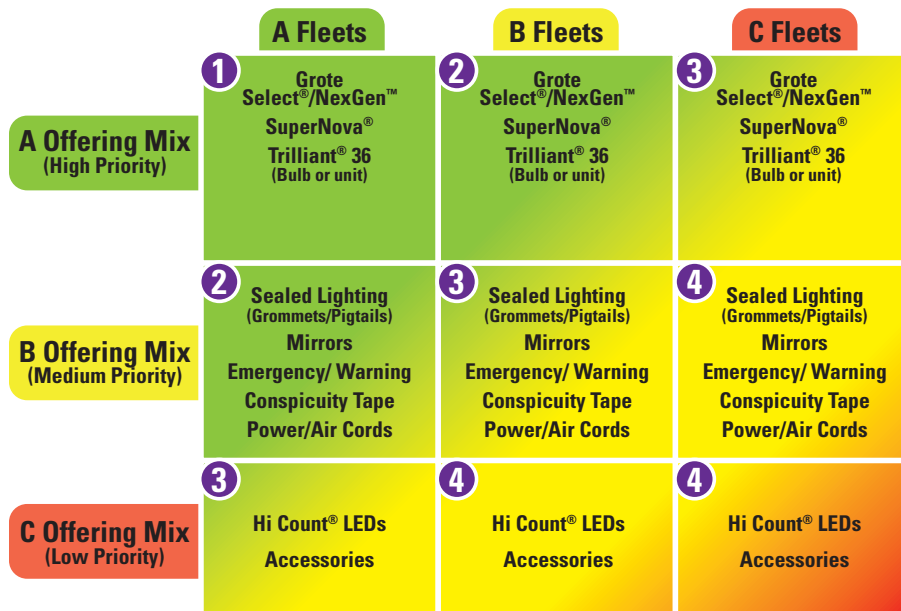
Product Categories

- A Products include 3-Diode LED Lamps; LED WhiteLight™ Products; harness business; and SuperNova® LED Interior lighting
- B Products include sealed lighting; mirrors; emergency lighting; brackets; grommets; pigtails; and power/air cords
- C Products include Hi Count® LEDs; accessories; and import sealed lighting



Your success depends on developing an effective product plan BEFORE your fleet meeting. Pre-plan with three specific products.

Customers / Prospects Development and Investment Priority Matrix



A Fleet = more than 1,000 units
 B Fleet = 500-999 units
 C Fleet = 50-499 units
 Fleets / prospects (A = best)

● Target Priority

Time Utilization
 optimal ————— minimal

Figure 6b

Customer Prospect/Development and Investment Priority Matrix Summary

The Matrix Identifies:

The A Fleets and the A Products that are the most profitable.

- Target A Fleets to develop because they have the largest fleet base and will incorporate the best products to be sold, increasing margin contributions/ technology, barriers to how cost provider entry, and manufacturing utilization. These sales create aftermarket dollars and spec business that keeps low cost competitors out of OEM builds.

- Strategies (A Fleets require much time, selling process can be long)
 - Must meet with real decision maker
 - These prospects are the most difficult to persuade because small increases on a per-trailer basis grow to exponential investments on the entire fleet basis
 - Time needs to be spent selling the Total Value-Add
 - The ROI concept is the only method that will justify the investment
 - Demonstrate the rear sill harness concept vs. competitor
 - Grote Know-How training
 - On-site training
 - Offer to re-work / consolidate inventory with relabeling program (sell all available products - do not stop at new innovations)
 - The concept of trilateral relationships is paramount.
 - Sell concept of National Fleet Program (common pricing)
 - Prepare rapid spec
 - Use Fleet Spec Guide

Fleet Selling Activities

The sales team needs to concentrate on opportunities outlined by the Matrix and detailed in the Customer Prospect/Development and Investment Priority Matrix Summary. The fleets are already categorized by size A, B, or C, but the potential product categories are not associated with these fleets. The goal is to sell the various categories that are both profitable and have realistic potential. A balance will need to be found between situations that offer large profit opportunity and small probability, versus those with small profit opportunity and high probability.

Where Do I Find the Fleets?

Publications such as Commercial Carrier Journal list the top 250 fleets annually. This data can also be accessed on their website: <http://www.ccjdigital.com/files/2010/08/CCJ-Top250-2010.pdf>.

Other opportunities require active pursuit and observation skills on the part of the sales force. Specialized fleets do not appear in publications as often as the mega-fleets. These fleets may not have nearly the equipment count as the larger fleets, but the specialized fleets own expensive equipment that is looked upon as an investment and profit maker. Road construction equipment is often utilized at night, so safety and visibility are of the utmost importance. Everywhere there is electricity, there is a utility company. Refuse companies exist across the country. It is the Grote salesperson's responsibility to find the largest prospects to sell the Grote Performance Advantage™. The most successful salespersons are often times very creative in locating and selling the fleets.

The DOMs at these fleets are not easy to access all the time. Due to their extensive work load, it is of paramount importance that appointments be made weeks in advance with a personal phone call. Often times this is a tedious task because they do not always pick up the phone. Don't leave a voicemail - they are rarely returned. Voicemails are not an effective means for making appointments. Make calls in the early morning from 6:00 a.m. to late in the evening 8:00 p.m. Do not attempt to schedule meetings with prospects by e-mail. It does not work. However, once a meeting is secured by a phone call, an e-mail is an effective means of confirmation.

This comprehensive fleet focus will allow Grote representatives to spend the majority of sales calls on those fleets that represent the largest opportunities in both sales dollars and margin contributions. Gaining the business at large fleets will grow market share at both the aftermarket as well as at the OEM builds. Gaining these targeted markets will also minimize the impact of the imports in all areas, including the fleet and the warehouse distributors. Establishing integrated fleet programs will also enhance the Grote Value

**Key
Points**

The preferred method of contacting the DOM is by phone between 6 am - 8 pm, then following up with an email.

Proposition with the aftermarket.

Scheduling the Meeting

Once the decision maker (usually the DOM) has been identified, a brief but thorough phone discussion to set up a meeting needs to take place. The intent will be to sell the DOM on a meeting, but not on the entirety of the program. The opening conversation should start with:

- Introductions of names and titles
- verifying familiarity with Grote Industries
- a brief explanation of a programmatic approach to lowering the cost per mile and inventory dollars
- an expressed desire to create the trilateral relationship
- new Grote innovations
- a proprietary training program available with Grote Industries



These main points of interest are effective in acquiring a face-to-face meeting. Request a two hour meeting to accurately explain the features and benefits of the Grote Industries offering. There are cases where the DOM will request the meeting take place with his subordinate or another individual within the company. This is less effective because a non-decision maker cannot be relied on to relay all information back to the decision maker. The most important piece of the entire process is to realize that the fleet needs Grote as much as Grote needs the fleet. Working with Grote will improve ROI and reduce the cost per mile for the fleet.

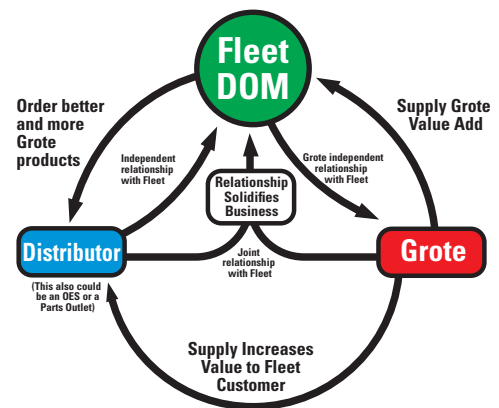
TRILATERAL RELATIONSHIPS

Establishing the Right Trilateral Relationship Between Grote, the Fleet, and the Fleet's Warehouse Distributor (WD)

Each Fleet DOM wants to drive down the costs of parts, labor, and replacements. The WD wants to keep a parts flow to his fleet customers. What is the best sales technique for a Grote salesperson in this situation?

A trilateral program is beneficial for the fleet, the distributor, and Grote. Fleets desire a direct relationship with Grote. They want a partner. They want Grote to be part of the process and want to be engaged enough so that, if an issue arises, Grote is available to assist. Fleets want Grote to help them take cost out of their system with new innovations and cost effective products. Unfortunately, even though fleets are the ultimate customer and will determine what brand of parts and types of products they will purchase, fleets often fail to recognize the investments the WDs have made in inventory, brick and mortar, vehicles, and personnel.

Don't just try to sell parts. Instead, sell the value-add that Grote provides to help the DOM to lower his costs and raise the efficiency of his operation when it comes to his lighting needs. "Pull through" Grote parts by demonstrating the value of your service to the DOM by emphasizing Grote parts quality and Grote service. Here's how:



Establish the Conditions that Drive the DOM to Specify Grote Product to His WD

1. Use the Grote Performance Advantage Know-How Program to:
 - educate the fleet maintenance people on the basics of vehicle lighting
 - help to rationalize inventory practices at the fleet parts warehouse by going

into its parts bins and reducing redundant SKUs, renaming individual parts bins, and adding Grote parts to his standard parts inventory.

2. Explain and demonstrate to the DOM the value of the services you provide in terms of lowered cost and higher efficiency.
3. Provide value to the WD by creating the conditions that help the distributor increase the distributor's value to their fleet customers by working as an extension of Grote to the fleet. The distributor wants products and services from Grote to increase the distributor's value to the fleet. The distributor desires to sell more products. With your help, the distributor can increase its profitability by selling products of higher value to its fleet customers at a higher price that is offset by a higher value in terms of performance, reliability, and ease of maintenance.
4. A trilateral relationship ties Grote to both the distributor and the fleet. Often, the fleet does not recognize the value of the distributor. Similarly, WD personnel do not realize the value of the Grote Performance Advantage™. The Grote program needs to evolve beyond lighting and lighting products to a value stream of lowered overall costs and increased profitability for both the fleet and the distributor.



Grote Performance Advantage™ Program Key Ingredients

- Reduced downtime
- Availability of Grote Representative
- New innovations that reduce cost and have a favorable ROI
- Inventory management – consolidation of parts
- Proper training
- Grote Know How I
- Grote Know How II
- Customized Fleet Spec Guide

SUMMARY

Now we have a different understanding of what a fleet is. Fleets consist of many types which translate into numerous opportunities for Grote Industries. The reason trucks are driven up and down the roads differ, but the idea of making more money or saving more money due to superior maintenance programs is common among all types of fleets. The most available individual at the fleet is not the same individual that really understands the total cost of ownership. As with any company, the Grote resources are limited.

It is imperative that we spend the correct amount of effort on the correct prospect. It is equally important to sell the entire program to these decision makers including the spec business. The DOMs can buy lights from many different lighting suppliers, but they can only receive the Grote Performance Advantage™ in its entirety from Grote and the WD partners. The program Grote offers is one that can easily justify itself. The time to discuss these opportunities with the DOM is now.

MAKING THE SALES PRESENTATION

The appointment time has come and the meeting is secured with the appropriate person or people. Make sure you arrive on time. The presentation books are built and extras should be brought to the meeting. Product samples should be reviewed and power supplies tested. Small talk should be kept to a minimum. It is important to ask the individual if there are specific topics or areas of concerns that need to be addressed.

Key Points

It is important to have a specific agenda at every fleet meeting.

- **Product**
- **Ideas**
- **Test**
- **Program agreement**
- **Program change**

If the person responds affirmatively, then focus the presentation around those specifics. We can solve the specific issues with our programs. Have fun and expect to have an aftermarket and spec order at the end of the meeting.

Key Literature Materials, What They Are, and Points to Cover in the Presentation

The Grote Performance Advantage - The People, The Products, The Programs that Give the Competitive Edge - This publication shows how Grote programs differentiate Grote from all other lighting suppliers.

Leadership in Innovations - This publication explains Grote roots and how the company were founded in 1901. It highlights Grote innovations such as the development and use of the first plastic injection molding machine. It also explains how Grote pioneered the first modular sealed wire harness. It goes on to describe how Grote developed the Ultra Blue System, the first LED marker lamps, and the Trilliant work lamp series of products.

Leadership through Technologies - This publication explains how Grote developed the technology of bulb cradling, double sealed pigtails, turn signal switches, and male-pin termination.

LED vs. Incandescent - A sheet that explains how largest failure point of an incandescent lamp is the filament.

How to Evaluate LED's - Emphasizes the fact that 85% of the true cost is maintenance.

Evaluate Grote Industries - This explains that 16% of failures are at the connection point and how Grote LED products outlast the competition.

The Grote UBS Systems - Describes the totally engineered system from the lamp to the harness.

Online ROI Calculator - Tells how the total cost of ownership is much more than the price of the lamp.

Grote Select Information Sheet - Sell Grote Select's features and how it meets the needs of fleets.

CSA Packet - Explains CSA, what it means to the fleet and how Grote can help.

See the Difference work lamp brochure - This brochure describes different work lamps for different jobs.

See the Difference interior lighting brochure - This is an interior lighting brochure that demonstrates different dome lamps for different applications.

Performance, Style and Value - This brochure is a portfolio of Grote lighting lines.

Grote Know How Training I and II - These publications are Grote training manuals. Fleets request training and training is part of partnership. Once the Fleet has converted its Aftermarket and Spec business to Grote, training is available.

