Dealer Meeting

Going Far Together

"If you want to go fast go alone, if you want to go far go together." - African proverb

September 2020



Welcome

Constantino Lannes





Agenda

- Welcome
- Voice of Customer
- Customer Centricity
- Marketing
- Service
- Training
- Warranty
- Engineered Solutions
- Sales Process
- Port Application
- Changes to the Product Line

Voice of Customer and Dealer

Dr. Ajay Sirsi

Professor and Consultant





CEO, Mentor Solutions Group, FT Global 500 Companies



























Industries Consulted in

- Transportation and logistics
- Building materials
- Real estate
- Commercial and residential property management
- IT
- Banking and financial services
- Pharmaceutical
- Healthcare and medical equipment
- Manufacturing
- Heavy machinery
- Fluid control systems
- Paper and packaging materials



Marketing Professor, Schulich School of Business, York University

Areas of specialization

- Marketing strategy
- Sales strategy and sales management
- Branding strategies
- Customer centricity strategies

Books

- Customer segmentation (manuscript stage)
- Marketing: A Roadmap to Success
- Instructor's Manual to MARTS
- Marketing Led Sales
 Driven
- Marketing: Real People, Real Decisions

Teaching

- Executive seminars
- MBA program
- BBA program



Organizations that Drive Revenue and Profit

- Have a deep UNDERSTANDING of customer needs
- DEVELOP superior go-to-market strategies
- EXECUTE those strategies well
- ALIGN their marketing, sales (and other) functions
- Constantly RECALIBRATE their strategies



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Companies and Industries that Failed to Understand Customer Needs

- Taxis
- Hotels
- Travel agencies
- Blockbuster
- Blackberry
- Best Buy
- Gillette
- Yahoo
- Kodak



The only source of *sustainable* competitive advantage: our ability to understand (and act on) the needs of our customers faster than our competitors.



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Three Questions we Need to Answer in a Go-to-Market Plan

- Whom should we serve?
- What value propositions?
- Why will we win?



	Customer Segment A	Customer Segment B	Customer Segment C
Product	Wants the basic productNo customization	 Willing to pay for unique features Some customization: material and display 	Custom designed product
Price	Price sensitive	 Willing to pay if case is made 	 Will pay for customization
Shipping	Cheapest shipping cost	3-week delivery	 Customized shipping solution
Inventory	 No inventory 	Some inventory	 Security of inventory
Sales approach	 No account management Self serve through website 	Some account managementMay require sales visit	 Dedicated account management Internal sales support



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Voice of Customer and Dealer: Research Objectives

- SENNEBOGEN is a successful company due to the best product, superior customer support, availability of spare parts, dealer and customer training, and dealer perception surveys
- However, SENNEBOGEN is too dependent on the scrap market: scrap is a commodity, as it goes down, SENNEBOGEN sales could be drastically affected
- SENNEBOGEN wants to succeed in five diverse markets: scrap, logging, ports, waste, and tree care
- SENNEBOGEN wants to put a strategy (Go-to-Market Plan) together to be successful in the five diverse markets
- Developing a deeper understanding of dealer and customer needs across the five markets will be a key factor in developing a strong Go-to-Market (GTM) plan



Methodology

- Conducted depth interviews with dealers and customers in all market segments
- Obtained feedback and identified:
 - Customer pain points
 - Gaps in how we serve our markets
 - What we are doing well and better than our competitors
 - Customer buying process (who, how, when)
- Interpreted Dealer Satisfaction Survey results



"I have been in business 30 years. I have never had an opportunity to talk like I did today: I buy John Deere, Cat, Morbark. No one has ever approached me to talk like we did today. I appreciate SENNEBOGEN wanting to talk to their customers."



SENNEBOGEN is a Product-Centric Company



	Product Centric	Customer Centric
Decision making	Product-out	Customer-in
Basic philosophy	Sell to whomever will buy	Clear customer segmentation strategy in place
Business orientation	A strong product will win the day	Products will become commoditized. To decommoditize, we must focus on the customer and add value beyond the product.
Innovation	Product based	Around customer experience: pre-sales, sales, post-sales
Product positioning	Highlight features and benefits	Highlight what the product can do to solve customer problems
After the sale	React to customer issues	Proactively communicate with customers



Customer Centricity is...

- A management philosophy
- A strategy to align a company's value propositions to its target customers
- It basically means that all functions are working toward a common customer goal
- To achieve this, all functions must share a common understanding of the customer

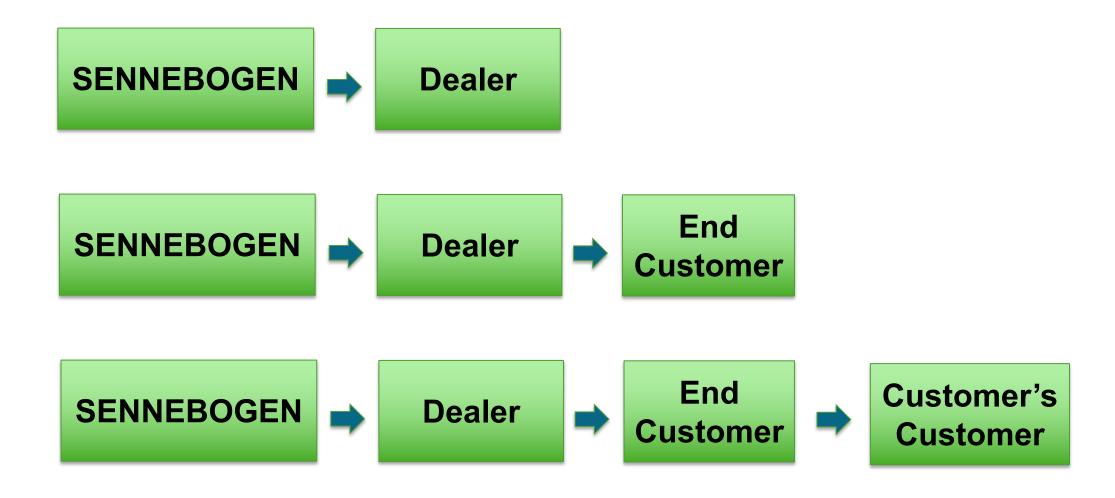


Customer Centric

• A lot of companies say they are becoming "customer centric" but reality is they are afraid of what they will hear......



Success Requires a Partnership





SENNEBOGEN – Dealer Partnership Needs to be More Customer Centric

Voice of Customer

- "The dealer is the first point of contact"
- "The SENNEBOGEN dealer is good in State X, okay in State Y, terrible in State Z"
- "A good dealer understands my business, cares about my business success, not just interested in selling me more"
- "Maybe take trade ins"
- "How fast a shade of gray: 2000 hours versus 2002 hours on warranty"



What Customers Like about SENNEBOGEN

- Breadth of product line
- Machine design and engineering
- Quality product
- Simpler product than competitors
- Availability of add on options
- Leading manufacturer of material handling machines
- Product innovations
- Training facility in Stanley



What Customers Like about SENNEBOGEN

- SENNEBOGEN business model
 - Buy parts on the open market
 - "Huge sell factor with SENNEBOGEN: parts are interchangeable, this is important in remote locations. We cannot wait for days for parts to come in. With Liebherr we have to wait a week."
 - "Interchangeability of parts: we do not have to order from SENNEBOGEN, we can go to a local auto shop bearing and transmission suppliers; this is a huge advantage for SENNEBOGEN; if you buy a Cat you have to use Cat parts as these parts are unique and not interchangeable. Mechanics are happy with SENNEBOGEN machines."
- "SENNEBOGEN modular system helps with uptime"
- Service team
- Easy to get answers on technical issues



Customer Needs and Challenges

- How to be competitive
- How to grow
 - "\$6 million today, how can we get to \$10 \$15 million?"
- Getting into new markets
- Market ebbs and flows
- Downward pressure on prices
- Costs go up
- Margins go down
- Upward pressure on customer service
- Efficiency, productivity, quality



Customer Needs and Challenges

- Labor shortage: operators and maintenance
- Improperly trained personnel
- Machine utilization
- Reduction of total costs
 - Operating costs
 - Fuel and other items
- Uptime of equipment



Customer Needs Specific Application- Ports

- Safety
- Equipment availability
- Asset management
- Use excavators as material handlers
 - "Liebherr, Hitachi, John Deere excavators are used as material handlers in our business. Does not work as well. Material handlers are a lot faster."
 - Rent equipment before buying it
- Uptime, uptime, uptime
 - "Our projects are complicated, with processes relying on each other. Lines of trucks waiting, if anything in the chain breaks the whole thing comes to a stop."



Customer Needs Specific Application- Tree Care

- Many smaller players, cannot afford the 718
- Efficiency
 - "That is why we bought the 718, can work with 1 or 2 people versus 3 or 4 in the past"
- Estimating
- Making profit in low bid contracts
 - "How do you price low and maintain a profit margin? That is why we look at innovation. No competitor has a machine like ours, but they will catch up."
- Younger talent not coming to the trade
- Industry response
 - Not merely a summer job, it is a career
 - Arboriculture
- Employee safety

Customer Needs Specific Application- Logging อฮฟิเฮฮฮฮฮทั่



- Corporate procurement
- Shifting fiber input
- Declining percentage of long wood
 - Need to constantly redesign process: unload truck, stack, process
- Every operation is different
- Need machines that can work in different terrain
 - Rough terrain to log yard
- "We wanted to buy an 840 on wheels. SENNEBOGEN took too long, could not get them to understand what we wanted. They should focus on the technical aspects so the customer can focus on strategy. This requires SENNEBOGEN to have a back end infrastructure, not just a rep with a brochure and donuts. We tend to get reps who do not fully understand our business."
- "Weaknesses: provide more technical info not just a brochure. They rely too much on their dealers, who are not as strong and knowledgeable"
- Machines cannot have downtime
 - "In the old days you could take a machine apart. Not anymore."

Customer Needs Specific Application - Scrap



- Have many yards
- Keeping qualified mechanics
- Cheaper steel products coming into market
- Buy scrap, process scrap, sell scrap
 - Key variable is operating costs
 - Cost per ton
- Need to control cost
- Pricing challenges
- Fierce competition
- Environmental issues, increasing regulation
- Demand for scrap is increasing
- Demand for steel is not as high
- Seem to be indifferent toward material handlers
 - "Every material handler will do the job for me, SENNEBOGEN will not want to hear this"



Customer Needs Specific Application - Waste

- Difficult environment to work in
 - Hot and dusty
 - No raw material consistency
 - "Anything gets thrown into the dumpster"
- Efficiency and productivity are key
- Reduce costs
- No downtime
- Growth opportunities
 - "More recycling regulations will help us"
- Threat from landfills
 - Willing to take trash cheaper
- Customers do not appear to be very sophisticated



- "Machine, flow of information, evolve the machine to do more.
 Service after the purchase is key: it falls apart a bit from SENNEBOGEN to dealer. Our local dealer is not knowledgeable."
- "The dealer who sent someone to train our operators on the 840s was not even SENNEBOGEN trained. How does this happen?"
- "I can see value if they understand my business, not if they only understand their machine. I would guess 75% of SENNEBOGEN employees do not know what a shredder does."



- "Every 3 to 6 months, find out what is happening to our business, business priorities. Komatsu dealer speaks with us every week or two." Customer
- "SENNEBOGEN should be more proactive: visit customers, understand his environment and provide advice on less machine breakdowns and increasing machine longevity. When SENNEBOGEN rep calls or emails he asks how things are and does customer have any issues. This is not enough."
 Customer
- "Dealer in State X is a dealer for them, I have not heard from them. Do they
 even know I have the machine?" Customer
- "We talk to a sales rep from dealer once in a blue moon" Customer



- "Their follow up is not as good. SENNEBOGEN reps listen very hard, they nod their heads, nothing really happens."
- "The best advantage: someone who knows how the machine works but how to work the machine: not just an engineering background but actually sitting in the seat: know what our operators deal with."



"I would like to see what is the well researched true ownership costs for a machine. This is an important number for a machine owner to set his rates or to understand his lifetime expected costs. There are differences in equipment. Purchase price is not as important. How long do the tracks wear? How long will the boom cylinder last? This will help an experienced person as well as someone just starting out."



"The day we picked it up no one knew how to operate the machine [718] or get it on a trailer, I had to read the manual! We got it loaded, took it to a job, nobody including the dealer sales rep did not know, we just started using it."



"What can SENNEBOGEN do to help: better flow of information from SENNEBOGEN to dealer to customer. When I toured SENNEBOGEN in North Carolina, they have a good understanding of how to do this within their own company; flow breaks down from SENNEBOGEN to dealer. To fully realize machine capabilities we need information. Flow of information will result in higher productivity as the machine is running and not down: the operator knows how to operate the machine. If the machine is down, we have to find labor to fill the gap, labor does not exist."



"Cummins engine problem, would not start when it was cold. We had 40 people coming the next day for a demo from the Department of Transportation, so we took it upon ourselves to call Cummins directly. Cummins made us pay; took 2 or 3 months to get the money back. Dealer and SENNEBOGEN were involved, but we were constantly on the phone with Cummins."



"We made a big stink: we have issues with the cold weather with Cummins engine with EGR valve problem. Issues after many months we are finally putting solution together: it is coming in bits and pieces. This is an issue with SENNEBOGEN and dealer interface. Dealers are the face of SENNEBOGEN, but many times dealers are not as technically adept. We need technical details asap. We still do not have a solution, now we are going into a new winter season."



- "40 years ago we were regional working on the Mississippi river between St. Paul and St. Louis. Now, we are geographically spread out ¾ of the US. When the river flooded we had work in other parts of the country, this saved us."
- "We are looking at high stacking, we've never done this before"
- "Growth, expanding our markets: we are a full-service contractor; we can do everything; we want more of this with minimal sub-contractors. Example: we do work for the railroad industry on small bridges, we send divers in to inspect; we will design a fix: permitting, engineering, lay concrete, pound the piling, put the rail in."



- "We are looking at more markets in the scrap business, different type of scrap processing, these will require diff types of machines. We bought a plant in City X, we load by barge, their demand is different."
- "735: pick and carry machine. Our strategy for Region X is changing: trying to redesign our mill for operations: our problem: we have these machines that are old, we need to find a solution. We have discussed 735 for years, we do not know when capital is going to be available. Sometimes renting or leasing is better. What we are trying to do is to sort the wood automatically, not in the yard."



- "We spend a lot of time and money on preventive maintenance. If we knew the lifecycle or total cost of ownership we would be forearmed.
 SENNEBOGEN needs to partner with customer for this data."
- "Fuel usage is a big cost in a machine. Unlike excavators a material handler runs all the time: back and forth. Can SENNEBOGEN do detailed analysis: this type of machine doing running for 5 hours burns this much fuel (fuel burn rate). Even if you can save ½ gallon an hour, that is huge savings. Eco, middle, full power: I do not know the fuel burn rate. The data would be used in developing my internal charge rate; would help in bidding."



- "Why are we bending saw bars? Finally SENNEBOGEN provided a person, to buyers after 5 months to train us, he spent an entire day on a job site."
- "Help me with training employees to knowing nothing to having the skill sets, equipment operations. Can they get me qualified workers?
- I do not mean training on the 718, but general training on forestry operations, equipment that SENNEBOGEN does not make. Terrain, avoiding accidents, rollovers, etc. SENNEBOGEN could come up with a program for the 718. They have good programs on machine maintenance but not operations."



- Some dealers enhance SENNEBOGEN brand, while others devalue it
- Some do not speak highly of SENNEBOGEN
 - "This is what the dealer told us: We tried to put this deal together, I tried to get you this warranty claim but they [SENNEBOGEN] will not cover it"
 - "I bought a new 835 6 months ago, we had problems with the Cummins engine; when we called our dealer he called SENNEBOGEN. SENNEBOGEN told us it was a Cummins problem. Cummins said it was SENNEBOGEN's problem. Then, parts were only available in Germany. Dealer says to us: they have parts in North Carolina on a different machine, but they will not give it to you. The dealer is putting himself in a good light, making SENNEBOGEN look bad."



"Most of the time we call a different dealer as they can get us the right parts faster than our dealer can. Our dealer is not strong in forestry equipment. Dealer A in State X and Dealer B in State Y know forestry equipment. Neither of them handle SENNEBOGEN equipment."



"We would like to do other things with it: add devices to the boom. Had dealer discussions but not the easiest to get assistance from them. What can we put on it? Been frustrating, no clear answers."



- "I found out about the machine in a print ad in an industry magazine. We were looking for such a machine, did not know such a thing existed. We were doing work for the DOT, but the ground was too soft. We called everywhere to find a machine with the boom reach. Everyone told us it could not be done. Even our dealer told us it could not be done."
- "I saw it [the machine] online, on Facebook."
- My Komatsu dealer suggested SENNEBOGEN."



- "Fuchs says: we make our own engines, you do not have to fight with Cummins."
- "Fuchs has changed their design, we have demoed some of their machines, they just do not have the same footprint as SENNEBOGEN."



"Ken Palmer: a tree expert in the Northeast, he took time and introduced me to the machine. He talked about the productivity and safety of the machine. He said it was a game changer. I was intrigued. I was not talking to just any salesperson who has never climbed a tree. Ken is authoritative, trustworthy. If I did not recognize his name I would not have taken the second call."



The New Generation of Customer is Different

- "A competitor of SENNEBOGEN went to our New York operations, machine is 100k less, but SENNEBOGEN unit weighs more, has more steel in it. But new generation is different. My generation looks for speed, fuel. Now they say music and a comfortable environment. How adjustable is the lumbar support?"
- "They search for information differently: web and social media. They do not read brochures or spec books. I am more technical, I want specifications."



SENNEBOGEN Brand Awareness is Low

- "I am going to retire in a few years, others may not know SENNEBOGEN, they are looking for other units."
- "SENNEBOGEN has no name recognition on the west coast. When we ordered from SENNEBOGEN we got a lot of backlash locally. A local contractor, a road builder who runs Cat thought we were crazy. One of our operators refused to get in the rental. He complained about the new machine. We sent him to operator school, that helped."





Dealers Pain Points

- Business efficiency
- Proper sales coverage
- Training for parts and service people
- Trained sales professionals
- Difficult to increase margins
- Retaining talent



- "We had a revolving door with SENNEBOGEN reps in the past, now it is stable."
- "Customers want information faster. Sometimes SENNEBOGEN takes longer to respond. For non-standard questions the process is cumbersome and slow. Reflects badly on the dealership as the customer thinks dealer is slow. Example: customer wants to add an option to the machine, after market. Wants to know the cost and can we put it after market, took a couple of months. "We are waiting on Germany to give us a response..."
- "SENNEBOGEN drops the ball on non-standard issues: adding an accumulator to the boom system"



- "I have asked SENNEBOGEN for pricing in a format to do quicker quotes.
 Getting pricing files electronically. You can go to their website download a PDF. With other brands: go online, get a price."
- "They have DDRF: discount form. If you need help on a deal, submit the form, they review it, will either grant discounts or decline. If I am sitting in front of a customer trying to strike a deal there is no time to fill out a form. SENNEBOGEN needs to be more nimble."
- "If I am in a position to close a deal today: that customer has bids from other entities. If I allow deals to not close, sales cycle is months but closing cycle is often hours. My sales guys are trained to close a deal."



- "Digital marketing: we are going to ask our vendors to give us information formatted for main social media platforms. Brand awareness for us.
 When we recruit in high schools to join our technician program. We are starved for content. Interesting applications, special features on a machine, how much material needs to be mined to get material that goes into a cell phone, green machines."
- "We are using technology to make our salespeople more efficient. We are looking at how we do things: stop partying like its 1999. Improving our systems. Get better information. Data informed. EDA data. How we buy, how much we buy, how we price, threats, opportunities how we sell, we hired an inventory manager."



"SENNEBOGEN has a mindset, we have a great machine..... they do not listen as well. When Erich comes over he likes to talk to the operators. Making changes to the product, they do...... but they drop the ball with inner working of the company."



"Our strategy 1: you have to have product. Open house tomorrow for tree care at a golf course, expenses are ours. We came up with this idea, not SENNEBOGEN. Everything from soup to nuts was done by us, Facebook post, LinkedIn post. SENNEBOGEN will send an expert. We said to SENNEBOGEN: we are doing an open house, do you want to participate? They should push and promote this. My competitors do this also.

Our strategy 2: we say: we are a product support company that happens to sell equipment. Our guys have service trucks. Customer will ask us to support them nationally."



- Parts support issue
 - "OEM XYZ system is so easy to use for our parts guys.
 SENNEBOGEN system is more cumbersome, more steps needed, not as intuitive."
- "Dealers can bring ideas to help SENNEBOGEN and dealer grow"
- Joint plans with dealers
 - "Our business priorities: we represent all brands well; give feedback to SENNEBOGEN, formal meeting with SENNEBOGEN rep to go over our business plan: opportunities we are facing; he checks the box to say I have done this, then it gets filed away"



- "Customers do 70% of research in advance: google search, not going to be our website they look at, but the manufacturer. We put an ad in a mag. Customer went to our website and could not find aggregate equip (rock crushing equip); they thought we did not carry the products."
- "Could develop more marketing tools for our salespeople. Product comparison chart on the website: has basic information, but needs to add more selling points: right now it only shows specs: weight, horsepower; instead of bullet point information 825 against Fuchs."



- "We ask the right questions of customers: how will machine be used?
 We cannot predict what customer will want to buy. We need to get
 better at understanding customer needs and their business context and
 put in CRM. Our salespeople talk to customers about their equipment
 needs; but, capturing that information is where we break down."
- "No strategy to help my business grow."



"I have been in business 30 years. I have never had an opportunity to talk like I did today: I buy John Deere, Cat, Morbark. No one has ever approached me to talk like we did today. I appreciate SENNEBOGEN wanting to talk to their customers."



How do we differentiate ourselves?

We think beyond the machine. By carefully listening and understanding our customers' needs we go beyond the material handler. We enable our customers to be more profitable, increase productivity, decrease costs, increase workplace safety, maximize uptime, and serve their customers.



What are we doing after hearing the Voice of the Customer and Dealer?

 Evaluated and Enhanced all areas of our business to develop Customer Centric Policy

 Beginning a Segmentation of our Dealers and Customers to strengthen Partnership and Value with valuable Benefits



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Product	Wants the basic productNo customization	 Willing to pay for unique features Some customization: material and display 	Custom designed product
Price	Price sensitive	 Willing to pay if case is made 	 Will pay for customization
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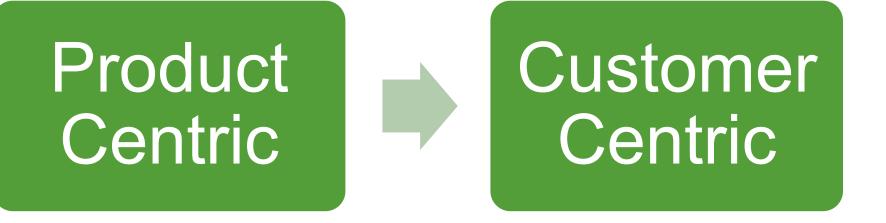


What are we doing after hearing the Voice of the Customer and Dealer?

- You will hear about the benefits we will be offering to our Partnership Level dealers
- Enhance the process to improve communication on the values delivered to the customer
- Created primary accountable role for each region (RSM to RBM)
- Increase touch points to customer and dealer
- Working closer with our Partnership dealers to improve their bottom line
- Increase knowledge base and tools for consultative selling
- Simplify internal processesfor faster response



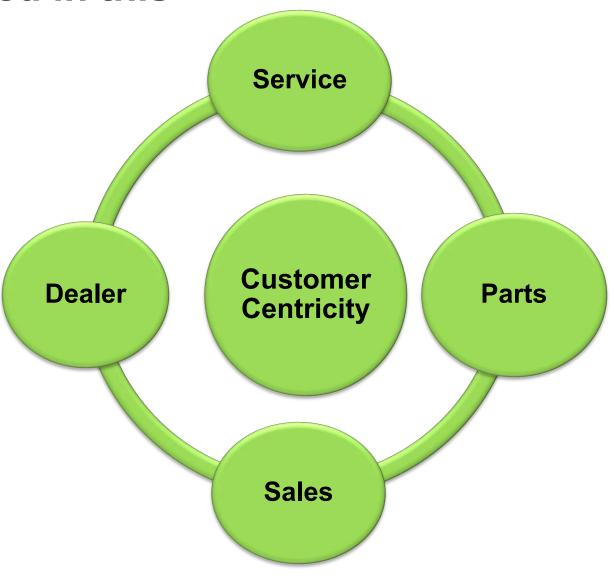
Journey to customer centricity



Who is involved in this

Journey





Marketing

Ryan Kolb

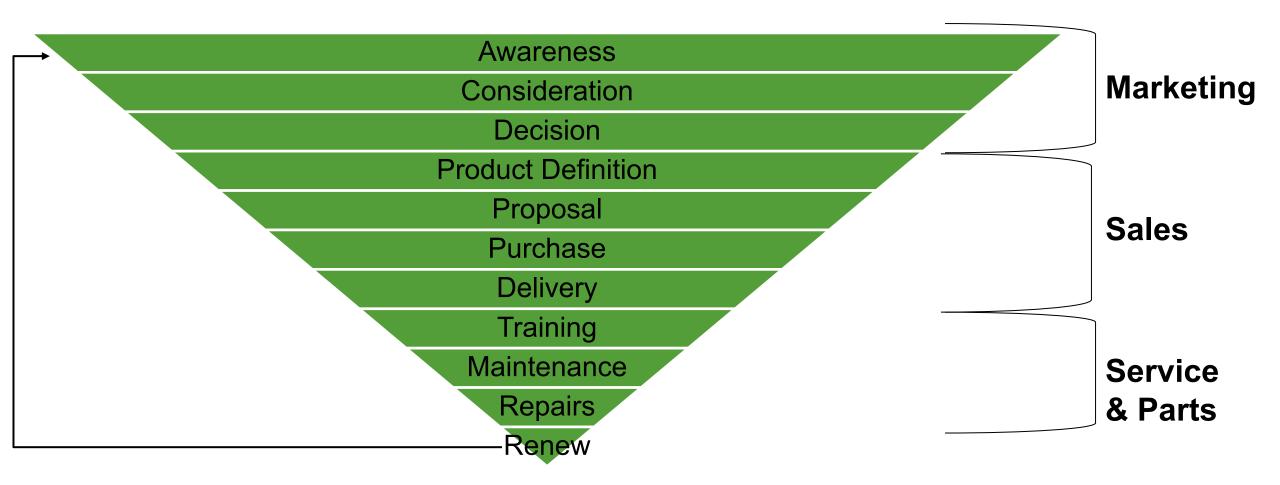




Brand equity = brand awareness + brand associations (what customer thinks of us) + brand satisfaction



Product Life Cycle





Marketing Support

- Collateral
- Website / SEO
- Social Media
- Job Stories
- Tradeshows
- Promotional items
- Co-Op Funds
- Dealer Portal
- Proactive Network email Blasts
- New Application Bulletins
- Dealer Satisfaction Survey



Collateral

- One of the main sales tools
- Hard copies order via the dealer portal (free)
- Digitally available to customers on Website
- Coming soon: Demolition, Log Yard, Product Support

Our Expectation: When visiting customers provide them at a minimum Uptime Kits, training, product line, preventive maintenance kits* and decal*. Have copies of product literature on hand.

*coming soon



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Web / Search Engine Optimization (SEO)

- A strong website is important as potential customers will likely interact with your website before a person
 - A Dealer website audit identified this is a dealer pain-point for a majority
 - Lack of product information, images, linking to SENNEBOGEN Germany not North America
 - New: iFrame solution launching soon
- A strong website is important for customers to find you. In the last year
 by editing out content, posting more to social media, we have increased
 out SEO from 16% to 65% out ranking competitors 3x. This helps
 drive customers to dealers via the find my dealer

Our Expectation: Dealer websites should have specific product content, images



iFrame

- Dealer will no longer have to maintain information separate from SENNBOGEN
- Webmaster enters in a line of code and information is automatically populated and update
- The customer doesn't leave the dealers website
- Launch guide coming soon





Social Media



- Customer visit social channels to get fresh content, engage with the brand, and see what others are saying about the brand
- We create a basket of posts for FB, IG, LI with pictures available on the Dealer Portal
 - Ports, Waste, Recycling, Tree Care, Scrap,
 Demolition, Logging
 - Updated Quarterly
- Linking back social posts to your website helps increase SEO authority

Andrew Jaross

Simply said Sennebogen material handlers are first class machines, simply designed and built for reliability, performance, and energy efficiency moving millions of tons of material every year. Many equipment manufactures focus on high pressure machines to try and increase cycle times and forget about long term harm due to overheating, over whelming electronic systems requiring special technicians and high maintenance costs down the road. With factory maintenance and operational training you won't need to wait hours for the mechanic to show up. Anyone can turn an excavator into a material handler, Sennebogen chose to create a machine designed to put money back in the owners pocket, operator safety, and increasing production goals.

Our Expectation: Post SENNEBOGEN content to your social channels

KEDDER















- Jobsite Reports are a powerful customer testimonial tool
- Available on the SENNEBOGEN Website
 - News & Media < Jobsite Reports
 - Filterable by using icons



Jobsite Report Catalog

- To make it easier to find the right story for your customer we have created a Catalog of reports that allow you to filter by industry, machine, country, state, dealer, and has a brief description and link to report
 - Once you find the right report for your customer you can copy and email them the link
- If you have a customer that would make a good jobsite report notify your RBM or Ryan Kolb

Our Expectation: Provide potential customers Jobsite Reports, submit requests



Tradeshows

- Attend ~30-40 tradeshows per year
 - Local / State / Regional / National
- Redesigned ConExpo and ISRI booth
- Suggestions for other tradeshows?



Our Expectation: SENNEBOGEN leads national and regional tradeshows.

Dealers lead local and state tradeshows (co-op).



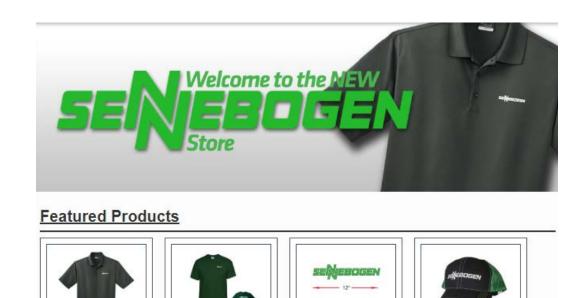




Promotional Items

 All of the SENNEBOGEN branded merchandise is available via the SENNEBOGEN Store

 https://SENNEBOGEN.mybrightsites.co m/



Our Expectation: Order promotional items via the online store for customer or dealership (co-op)

Co-op Funds- Partnership Dealers Level



- The CO-OP Program is intended to provide marketing funds to support Dealer efforts in local advertising, regional promotions, and sales support activities to drive sales growth
- Only 7 dealers have submitted for co-op to date
- Only 2% of the allocated co-op has been claimed
- Eligible items include
 - Tradeshows
 - Signage
 - Advertising (digital, print, email)
 - Wraps
 - Appeal
 - Special requests

EFFECTIVE PERIOD & ELIGIBLE PARTICPANTS

January 1, 2020 - December 31, 2020

PROGRAM FUNDING & REIMBURSEMENT

CO-OP will be earned based on the Dealer's prior purchase (October 1, 2018 through September 30, 2019) of SENNEBOGEN equipment and attachments (parts excluded) on a rate determined by SENNEBOGEN.

ACCRUAL SCHEDULE

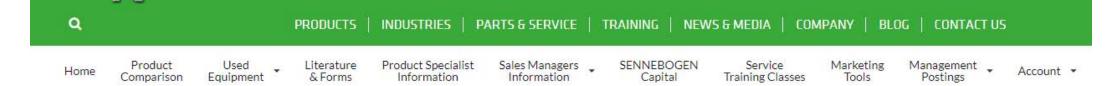
Fund allocation will be available for expense reimbursement on the following schedule:

Q4 Prior Year	January - June 50%	July - December
Announce funds available for upcoming year		Dealer is eligible to reimburse for up to 50% of funds for activity date July 1 – December 31
	Unused funds do NOT roll over	Unused funds do NOT roll over

Our Expectation: Use co-op to drive sales growth







THE DEALER INSIDER

Welcome to **The Dealer Insider**. This page is your connection to what is happening at SENNEBOGEN in Stanley and in the field. We have packed this section of the website with a number of sales tools designed to make you more efficient and effective. Some very unique features have been built into this page and we look forward to working with you.







NEWS FROM STANLEY

- NEW | Sennebogen Capital now part of the dealer login area
- NEW The Sennebogen port survey forms are available now for download under "literature & forms"
- New training courses announced for PSR.

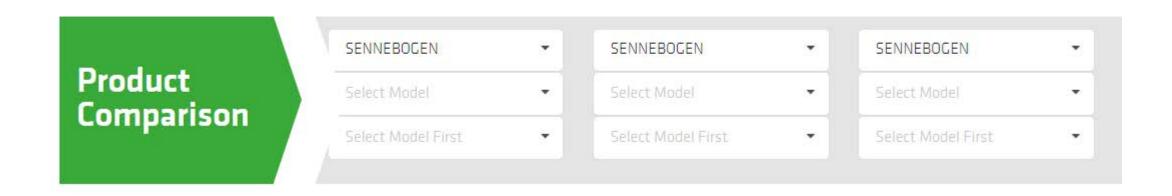
Recent Used Equipment

Our Expectation: Use the Dealer Portal as your first source of information



Preview: Product Comparison

- Updated tool coming soon!
 - Compare up to 3 model
 - https://staging.SENNEBOGEN-na.com/wp-admin





Gift: New Machine Purchase – Partnership Level Dealers

Operator

- Lunchbox packed with, gloves, vest, hat, safety glasses, keychain and a small card
- Card has link to FB, IG, LI with a soft encouragement to post





Company

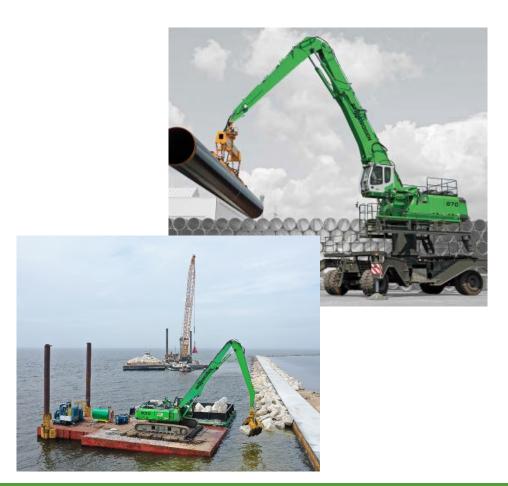
- Send to the address of delivery ~4 weeks post delivery
- Thank you card with soft encouragement to post to social media





New Applications update

- Continuously working to expand our portfolio of applications
 - Collateral
 - Job Stories
 - Videos
 - Social Media



Our Expectation: Provide contact information and consent to contact customers with new or unique applications



Marketing Blasts

- Email blast, ongoing, sent to customer contacts (with emails in CRM)
- Purpose: Create awareness of who their dealer is and what they offer
 - How to find your dealer contact
 - Parts
 - Service

Our Expectation: Cultivate any new or rekindled customer relationships

Dealer Satisfaction Survey

aelyleadaev,

- Overall score increased 8 points!
 - Overall, I am satisfied with SENNEBOGEN
 - SENNEBOGEN is helping to meet our business goals
- 34 other satisfaction drivers measured
 - 5 drivers increased 10 points or more
 - Parts training, Communication of machine status, DDRF process, Marketing support, On time equipment
 - 13 drivers increase 1-9 points
 - 1 driver decreased 5 points or more
 - Parts delivered on time
 - 6 drivers decrease 1-4 points
- Results are being shared within SENNEBOGEN and plans will be put into place based on results



8 points 2019 - 74

Our Expectation: Take the annual survey and encourage others to take

Service, Training & Warranty

Jim Westlake





Service Voice of Customer

"Machine, flow of information, evolve the machine to do more. Service after the purchase is key: it falls apart a bit from SENNEBOGEN to dealer. Our local dealer is not knowledgeable."



What's Offered?

- Free Technical Support
- 48-hour onsite support for dealer (machine down)
- Inspection Program
- RAMP Advantages
- UPTIME MAINTENANCE PRO (new program)
- Maintenance & Repair videos will be made available to technicians
- New CXS Role
- Uptime Kits



Technical Support

Would you purchase the same model truck if the service and or parts support is poor?

- Technical phone support followed up with emails until issue is solved.
 Use this support
- SENNEBOGEN has 48-hour machine down policy for eligible customers/machines. SENNEBOGEN will send a technician to the machine
- Why are dealers not participating in the SENNEBOGEN <u>inspection</u> <u>program</u>? (Partnership Level Benefit)
 - The inspection program is revenue driver and it's another touch to the customer. Dealer should be attending customer inspections.
- Are you taking advantage of the <u>Repair And Maintenance Program</u> (<u>RAMP</u>)?



Uptime

- New program...UPTIME MAINTENANCE PRO a 3 year/2,000-hour program that covers all scheduled maintenance (Partnership Level Benefit)
- SENNEBOGEN is working on maintenance and common repair <u>videos</u>

Our Expectation: Use the available SENNEBOGEN programs. Get the SENNEBOGEN service team involved early so we can help



Customer Experience Specialist

VOC: "Weaknesses: provide more technical info not just a brochure. They rely too much on their dealers, who are not as strong and knowledgeable."



SENNEBOGEN Introduces "Customer Experience Specialist" (CXS)

VOC: "Weaknesses: provide more technical info not just a brochure. They rely too much on their dealers, who are not as strong and knowledgeable."

Why the new CXS Role?

- From the "Voice of the Customer" it became apparent that on-site training after the operator had sufficient "seat time" would enhance their understanding and utilize the efficiency of the SENNEBOGEN equipment
- Having a SENNEBOGEN factory rep on-site demonstrates the level of commitment to the customer that a dealer representative cannot achieve
- This unique service will contribute to brand awareness

What is the CXS Role?



- Travel to every new machine sold within 1 week to 2 months after the machine has been commissioned and operated
- Ensure operator is operating the machine correctly
- Ensure operator understands every switch, button, indicating icons, and warning icons at a high level
- Engage with the customer maintenance and technical personnel to ensure they know and understand the maintenance intervals, proper lubrications, and the importance of using SENNEBOGEN spare parts beyond just the filters
- Explain the use of SENNEBOGEN spare parts manuals and an overview of SENNEBOGEN schematics
- Install decal "did you know we offer free technical training and have uptime kits for your machine?
- Hand out a package to operator (lunch box...)

Our Expectation: Dealer should be present with CXS on-site. This can be educational and shows our partnership to customer



Uptime Kits

- What are they?
- Functional benefit they provide?
- Every Service truck should have them... Does yours?
- Every customer should know about them... Does yours?

Our Expectation: Every service truck has uptime kits; included in every machine proposal; every customer is educated on uptime kits



Voice of Customer - Sentrack DS

"Fuel usage is a big cost in a machine. Unlike excavators a material handler runs all the time: back and forth. Can SENNEBOGEN do detailed analysis: this type of machine doing running for 5 hours burns this much fuel (fuel burn rate). Even if you can save ½ gallon an hour, that is huge savings. Eco, middle, full power: I do not know the fuel burn rate. The data would be used in developing my internal charge rate; would help in bidding."



Sentrack DS Update

- It is available for E series machines as a kit that can be ordered through spare parts
- The system shows GPS location
- Currently has Geofencing capabilities (Geoleash)
 - It will send an alert when the machine leaves an area that you set
- This system will work with third party telematic monitoring programs

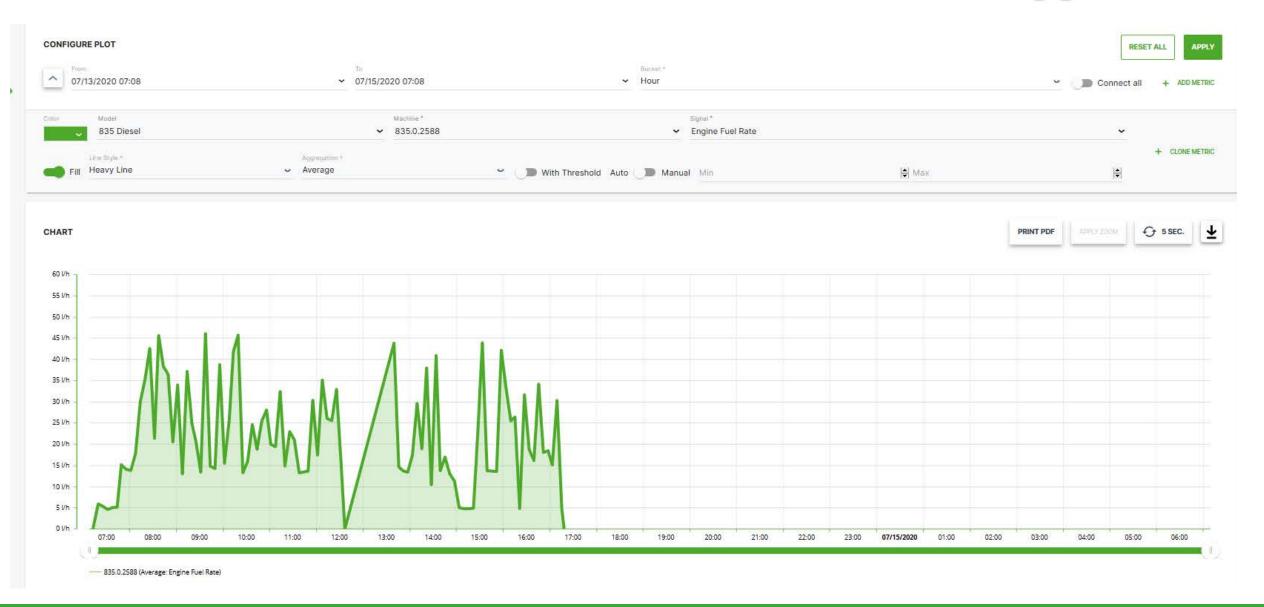


Sentrack DS Update Continued

- The device works on GSM cellular signal
 - If you have a cell phone signal at the location of the machine, then you will service to the device.
 - The system automatically uses the cheapest cellular carrier in the area. In the US it is usually T-Mobile
- The system will show active engine error codes
- There are still key components that need to be added, such as fault alerts (ex. engine oil pressure)

Our Expectation: Use Sentrack as a value, track fuel usage so that going into a sale you know G.P.H for example











Voice of Customer - Training

"The dealer who sent someone to train our operators on the 840s was not even SENNEBOGEN trained. How does this happen?"



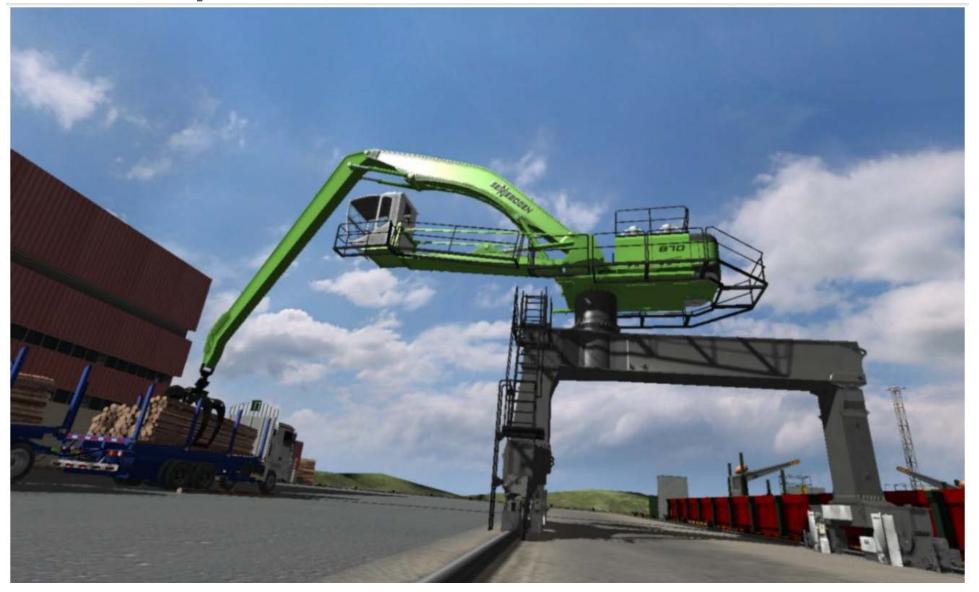
Training

- Manufacturers charge on average per person \$1,000 to \$2,000 for a 5- day course...SENNEBOGEN charges \$0.00 (Partnership Level Benefit)
- Detailed <u>Brochure</u> hand-outs
- 2019-2020 attendance ratio of customer techs to dealer techs is 46% (customer) to 54% (dealer)
- We can report to each dealer the number of participants and class type attended
- Hired 2nd trainer (more LMS...digital focus)
- Started "tree care" machine course
- Currently having an operator simulator being built
- Launching high voltage (electric machines) 4th quarter (depending on COVID)

Our Expectation: Evaluate your machine population vs current techs per dealer location. Minimum of 2 tech per branch should be trained. Inform all customers of this value, take advantage of the tri-fold handouts

Simulator Example





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480-volt Cabinet in Stanley







Voice of Customer - Warranty

"We tried to put this deal together, I tried to get you this warranty claim but they [SENNEBOGEN] will not cover it."



Warranty

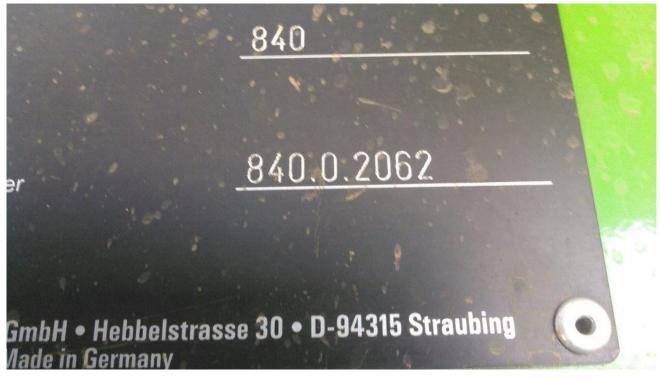
- Do you feel like you should get higher warranty approvals for reimbursement?
- Top 5 reasons warranty gets denied
 - 1. Commissioning and warranty certificates not submitted to SENNEBOGEN
 - 2. Machine out of warranty
 - 3. Required pictures not submitted or blurry poor pictures submitted
 - 4. Claims submitted after the 30 days past "last labor" (work order closed)
 - 5. Requested parts return: dealer has not stored parts for the required 6 months
- Improve warranty process understanding: SENNEBOGEN has been reaching out to dealers and scheduling virtual meetings for clear understating of warranty processes
- Higher % approval of warranty claims = reduction in customer billing and frustration?
 Warranty training is key!

Our Expectation: Push your warranty staff to get virtual training ASAP. Communicate to SENNEBOGEN when there is a change in personnel so anyone new can be trained.



Some Examples of Photos







Component Data Tags







Photos of Abuse





Paul Quistorff





- What's new
 - New parts policies and discount structure
 - PM kits for dealers and customers
- Parts sold per machine in territory
- Uptime kits



Would you like to make higher Profit Margin?



Parts- Percentage of Order Types

- Wide dealer variation when looking at our dealer's individual data
- Emergency order percentage varied from 3% to 68%
- Standard order percentage varied from .9% to 96%
- Stock order percentages varied from 0% to 74%
- On average if 50% of the standard orders are switched to stock orders the dealer's margin would increase 3%
- The current rebate program is still running

Our Expectation: Have dealers order more on stock orders to increase margins and no freight additional to customer



Rebate program

- All the below requirements must be met in order to qualify for the incentive
- Dealer account in good standing
- Biannual reporting of parts inventory levels by item/quantity, value
- DSS complete before end of 4th quarter
- Minimum of one employee attended parts training each year of incentive
- Minimum of one employee attended PSR training each year of incentive



Rebate program

- Total amount possible is 5%.
 - Parts purchase volume is 2%
 - Stock order percentage is 2%
 - Recommended inventory value is 1%
- This incentive program is being implemented to continuously improve the way SENNEBOGEN and the SENNEBOGEN dealer support the customer. At the same time providing the SENNEBOGEN dealer another method to increase profitability.

Our Expectation: All dealers participate in this program



Recommended Stock List Process

- SENNEBOGEN is looking at revising the current stocking list
- We have already had 3 dealer's partner with SENNEBOGEN to share the top 50 items they have sold year over year
- We will integrate these items into our current stocking list

Our Expectation: Dealers share the top 50 items they sell to customers with SENNEBOGEN



Current Policy

- 30-day return
- No hoses or rubber items returned
- \$5000 d-net stock order
- No large order discounts

- Restock fee of 20%
- Annual parts return

Partnership Level Dealers New Policy

- 60-day return
- Hose and rubber returnable if under 3 years in stock
- \$3000 d-net stock order
- \$60K d-net Super stock order option at 35% off
- Special 15% items are not eligible for any additional discount
- No restock fees
- Semi-annual parts swap (none accepted in December)

Our Expectation: Partnership Level Dealers will be able to achieve higher margins



New program...UPTIME
 MAINTENANCE PRO a 3
 year/2,000-hour program that
 covers all scheduled maintenance
 (Partnership Level Benefit)





- To better support our customers and dealers, we will offer PM maintenance kits:
- These kits will be offered for the Initial 250, 500, 1000, 2000 PM's
- Models: 718 through 875 E



- Factory parts
- Ease of ordering kits in advance
- Even if dealer is not performing services can offer kits to customers
- We will offer 10% discount on these from August 1st until the end of the year (Partnership Level Benefit)

Our Expectation: Dealers will use and offer these to customers that perform their own PM services



- SENNEBOGEN did an initial analysis of the parts per machine sold in dollars
- To calculate this, SENNEBOGEN used the current number of machines in the dealer's territory, as per the information in our system, divided by the parts sold to the dealer for the same time period (2019)
- Dealers will be shown machines in their assigned territory
 - If dealer feels this isn't accurate, we need updates sent in so we can update our system



- Parts sold per machine varied from \$1,850 per machine to \$15,400
- One set of hydraulic return filters including hydroclean are \$550
- The dealer with \$15,400 per machine has 131 machines in their territory
- This will be reported sales metric going forward

Our Expectation: Where are your sales? What can we do to help you increase your sales?



- Uptime kits are important for our dealers and customers to increase uptime
- What is dealer benefit
 - Revenue
 - Relationship
 - Customer satisfaction (one customer stating 93% reduction in downtime)
- Does your PSR and dealer salespeople talk about this with customers?
- We have one dealer that in the last 2 years bought 0 while one has purchased 60 kits!



- By using these kits the customer received better uptime and satisfaction
- Again one customer stated their uptime increased 93% using these kits onsite
- From August 1st until December 31st we are offering an additional 10 % off all Uptime kits purchased. (Partnership Level Benefit)

Our Expectation: Uptime kits are on all Dealer service trucks; proposals and that the customer is educated

PSSR

Paul Quistorff





Streamline Relationships with Dealerships and Customers

- Assist Dealerships to provide top level service and support to customers
- Provide Dealership reps with appropriate Sennebogen department resources to facilitate quick and efficient factory support to Dealerships to help resolve issues with customers



Personal Assistance to Dealership PSSRs

- Personally visit Customers together with Dealership PSSRs as a team effort
- Address and resolve Customer issues/ concerns together with Dealership PSSRs
- Address and resolve dealership level issues with factory support



Assess Customer Needs

- Field customer maintenance and support questions
- Review customer equipment status, usage, condition and maintenance practices
- Assess the machines needs with a visual inspection if the customer permits

Going Far Tog 131



Detail Equipment Needs

- Provide a detailed PSSR review and report of equipment deficiencies and needs to Dealership and Customer based on visual inspections
- Utilize PSSR review to compile a recommended parts list to address the equipment issues
- Provide Dealership PSSRs with a recommended parts list and a parts sales quote to help Dealership propose service work and parts sales to Customer based on provided review



Follow up with Customers

- Follow up with answers to address Customer concerns, needs and any field questions
- Follow up after Dealerships proposals for service and recommendations from PSSR visits to guide the Customer to have optimal service live and uptime of equipment



Assistance to Dealership PSSRs

- Assist Dealerships with recommending Customers on site parts stock based on machine hours or recommended component replacement intervals
- Assist Dealerships with parts and components lookup
- Help with recommended component lists for Dealership machine rebuilds/ overhauls



Assistance to Dealership Store Personnel

- Assist Parts Reps to understand the parts books/ schematic lookups when on site at the dealership
- Review and assist with Dealership recommended stocking list items
- Provide documentation assistance with the Sennebogen Dealer portal

Engineered Solutions

Detlef Engels



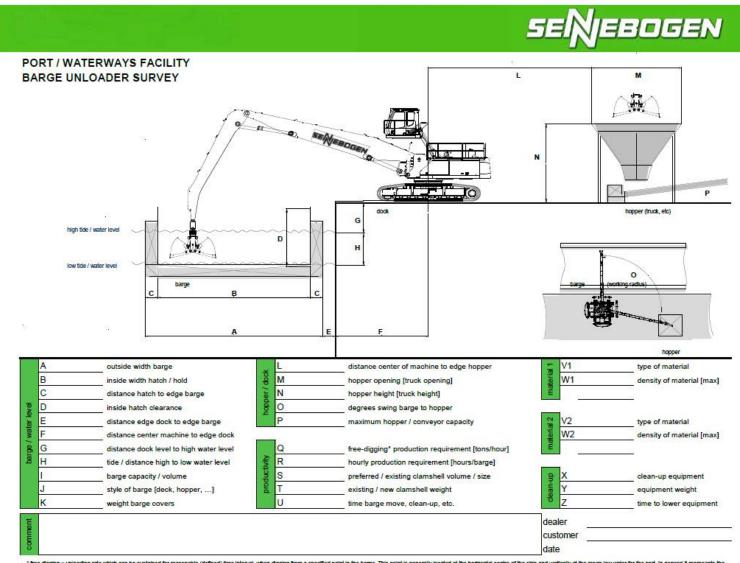


Engineered Solution - VOC finding solution?

- Explain benefits: We engineer solutions/drawings for the customer and demonstrate exactly what the customer needs
- Show example: Weyerhaeuser
- Opportunities
 - Special Projects: Utilize a used 830M-T fixed on Pedestal
 - Non Standard operations: Clear logs from de-barker
 - Solutions provided: Use the current old 830M-T to be placed on concrete pedestal

Basic Application Survey





"free digging = unloading rate which can be sustained for reasonable (defined) time interval, when digging from a specified point in the barge. This point is generally located at the horizontal centre of the ship and vertically at the mean low water for the port. In general it represents the mean (or somewhat below mean) situation for unloading rate that would be achieved. This rate is marginally specific to the port and does not consider barge movement, barge cover handling, clean-up, waiting time or any other time loss. © 2011 SENNEBOGEN LLC





How the customer explained it!!





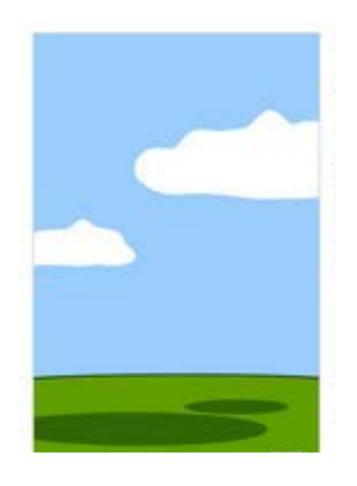
How the salesperson understood it!!





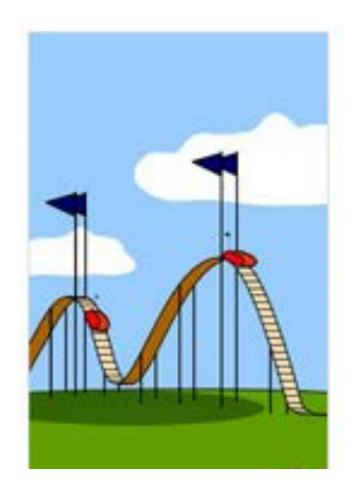
How the project leader understood it!!





How the project was documented!!





How the customer would be billed!!





How marketing advertised it "iSwing 2.0"!!

Let's not do this!!!





This is what the customer really needed!!

Our Expectation: Use the surveys and listen to the customers needs!

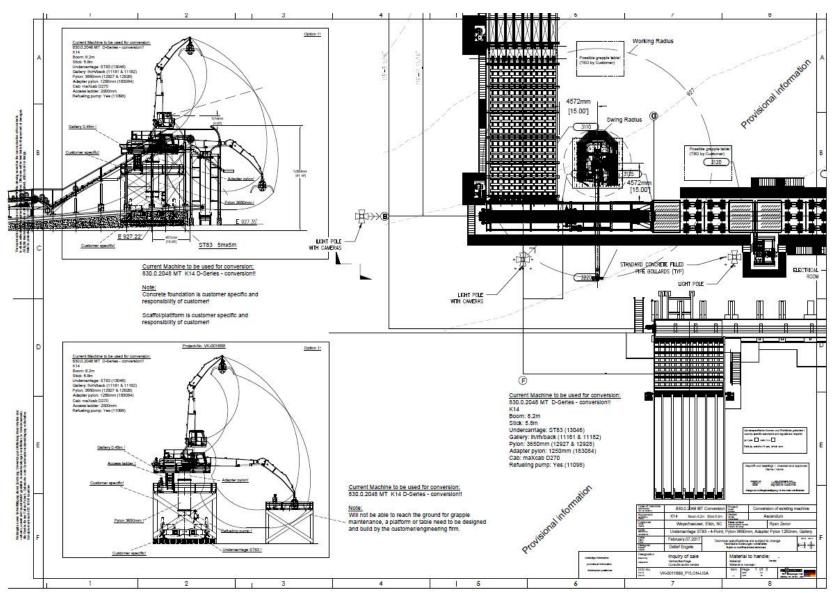


Customers need: To get the logs out which are tangled up in the de-barker.



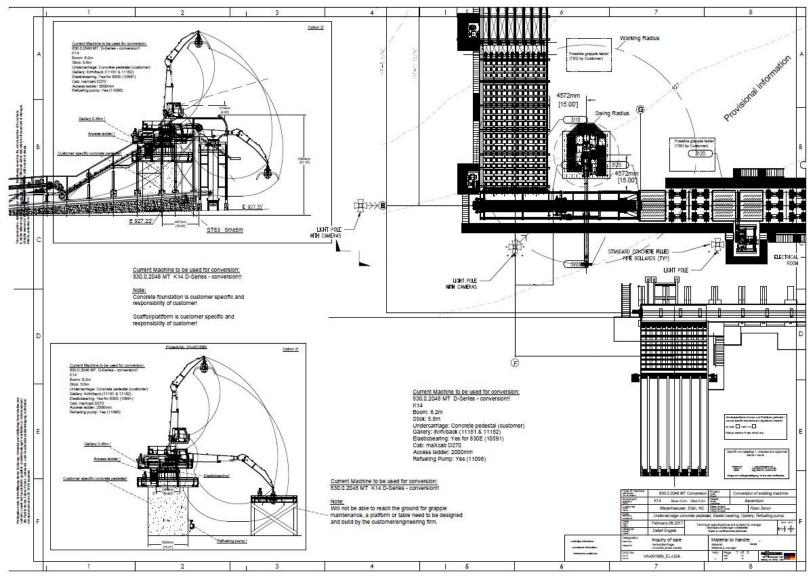


Option 1: 830 A-Special (4-Point pedestal) machine



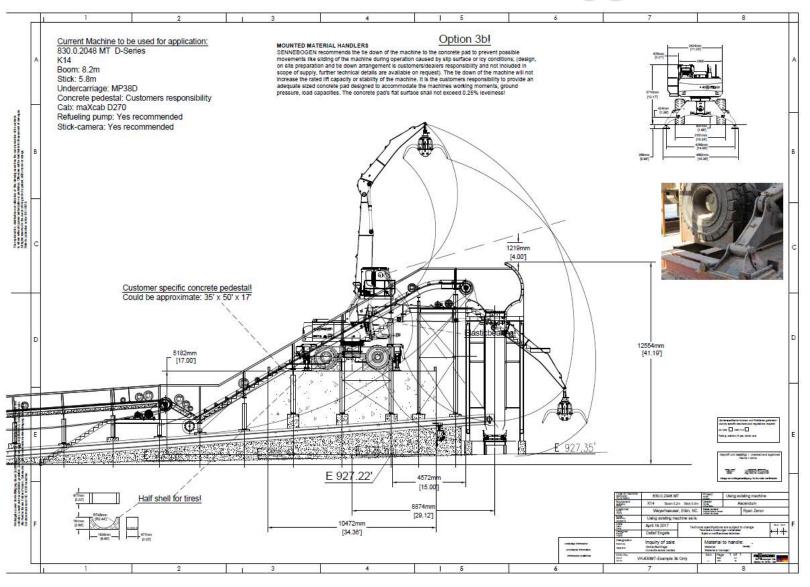


Option 2: 830 A-Special (Elastic bearing mount on concrete pedestal) machine



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Option 3: Use the current machine as is and set it on a concrete platform.



Customers Question: How will this work?

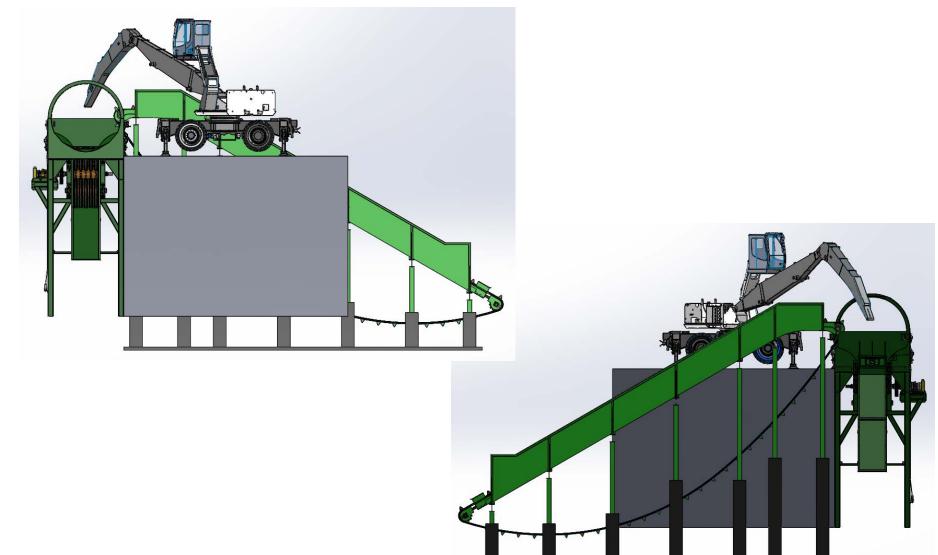




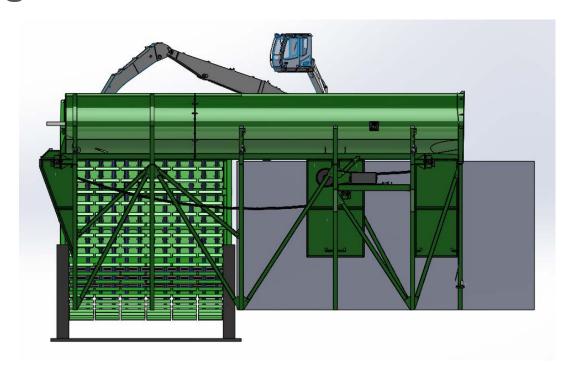
Answer: I will make a simulation and show you what we can do.

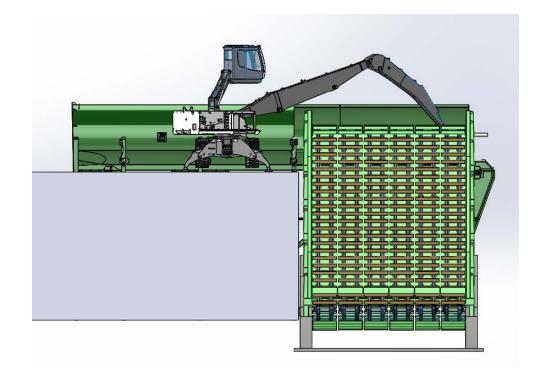
What I need is your data from the de-barker so I can make a simulation.



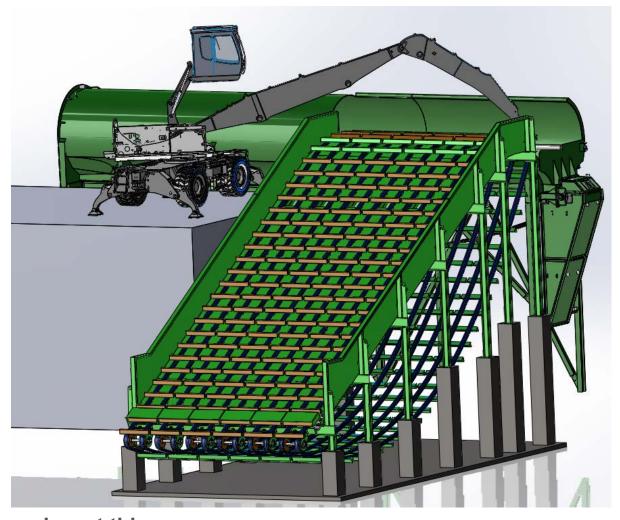












Result: Customer loved the idea and went this way.

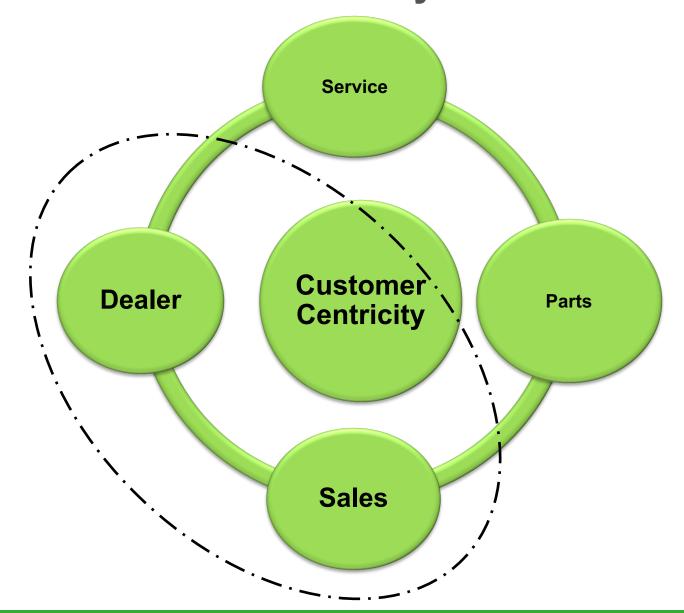
Sales

Jason Jones



Who is involved in the Journey







Dealer Tier "PARTNERSHIP Advantage"

- SENNEBOGEN has added a Partnership dealer tier to our policies in order to help:
 - Customer centricity
 - Improve dealer partnership, both bottom line and growth
- To maintain this level of benefits, there are dealer **requirements** in the sales process which focus on:
 - Dealer being Proactive & Transparent in Customer Potentials & Quotes
 - Dealer Management Support for Strategic Meetings and Accountability
- Future tiers will be added to benefit dealers who support the partnership

Our Expectation: Dealer full partnership with everyone working towards the same goal

The Role of Sales in our Customer Centric Journey ==!\| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| | ==! \| =



From	То
Negotiating for customer's business	Creating customer value
Having expert product knowledge	Having expertise about the customer's business and industry
Supplying customer with product and market information	Helping the customer grow his business
Selling a product	Delivering value
Communicating value	Creating value
Identifying customer problems	Consultative customer solutions
Volume planning with customer	Building a business plan in partnership with customer
Sales function focus	Total involvement of all functions
Focus on many customers	Focus on few attractive customers

Source: Ajay K Sirsi: *Marketing Led – Sales Driven*

Regional Sales Manager to Regional Business Manager



- "CEO of Territory" (Sales / Parts / Warranty/Service/Training/Engineered Solutions)...What does this really mean?
- Change from supporting the business to co-driving with dealers
- Will hold strategic monthly discussions to review partnership milestones and opportunities
- Require open discussion and transparency with dealer and their sales teams on opportunities and quotes
- Participate in strategies to succeed and share best practices
- SENNEBOGEN Consultative Sales & New application Training for product benefits and selling techniques (e.g. Lunch-n-Learns)

Our Expectation: Dealer Full support and open communication



For Alignment we will have Strategic Monthly Meetings to Review the Partnership

- Monthly in person
- Should include Dealer Principles
- Information sharing: review warranty / parts / sales / needs
- Review Sales Process including opportunities and agree on action plan / next steps
- New lead generation
- CRM refinement / update

Our Expectation: Management support with accountability to your team

Monthly Data based Scorecard







GAP – How are we going to meet goal?

Unit Sales YTD and Gap discussion

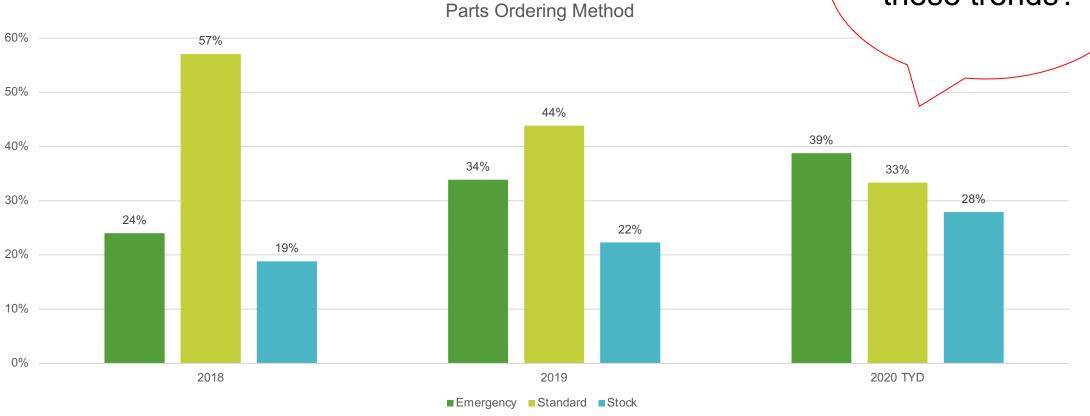
Unit Sales YTD



<u>อสโ/เสลกอสทู</u>

Discuss what is causing these trends?

Parts Ordering Method



ZENIEROGEN,

How can we improve parts sales

Part sales per Sennebogen vs. Benchmark







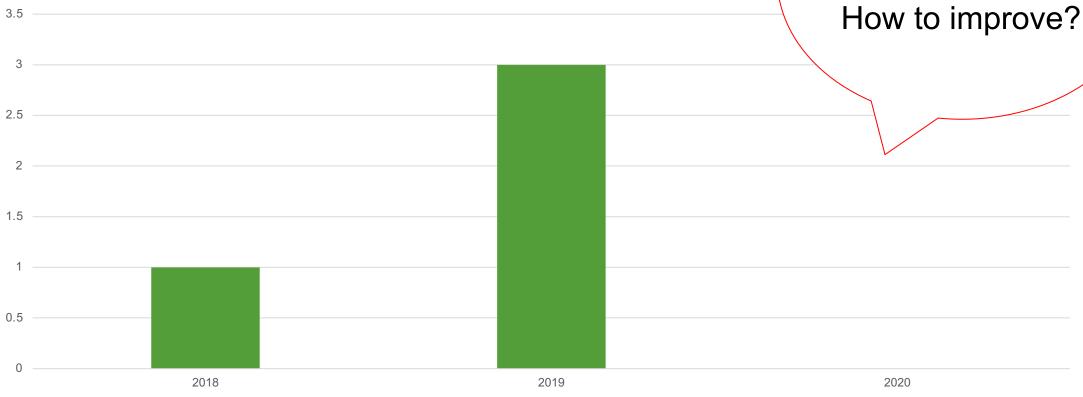
Training overview of Dealer staff





Progress with Uptime Kits





Review Data relevant touch points



Marketi	ng :				
	Website Aud	dit	Approved	Not Approved	
	Co-Op	Available	\$5,000		
		Consumed		\$2,000.00	
		Remaining		<mark>\$3,000.00</mark>	
Warran	ty:				
	All Branches	s trained		Yes / <mark>NO</mark>	
	Denials for A	Administration:		5	
Custom	er Touch:				
Inspections or CXS visits not a		t attended	2		
Custom	ner Complair	nts			
	Service or c	other		2	



Concerns / Issues / Comments		
Retail off slightly, but can improve	No dedicated SENNEBOGEN rep / consider regional?	
Current inventory levels	Can't order wholesale until units retailed - replace as sold	
New location in	GREAT NEWS - Will dramatically contribute to growth in that region	
718 Dealer	Has required unit in stock - consider dealer demo days to tap market	
Opportunities / Reporting	Reported opportunities mostly in XXX at this point	
Strained Relationship with XX Industries	Constantino may need to intervene / it is our issues not dealer	
Trained Service Techs	13 - Great start!!!, Consider sending tech for Fishersville	
Parts	\$313K - good month. Sell Uptime Kits for easy increase	
Large untapped Forestry Potential	Need to appoint SENNEBOGEN Forestry Specialist	



Strategy Meeting Example





Opportunities in Region

Action / Strategy Agreed upon with Dates



In VOC We Heard

- Customers face changing challenges, their strategies change
 - "We are looking at more markets in the scrap business, different type of scrap processing, these will require diff types of machines. We bought a plant in City X, we load by barge, their demand is different."
 - "735: pick and carry machine. Our strategy for Region X is changing: trying to redesign our mill for operations: our problem: we have these machines that are old, we need to find a solution. We have discussed 735 for years, we do not know when capital is going to be available. Sometimes renting or leasing is better. What we are trying to do is to sort the wood automatically, not in the yard."

Answering the Voice of Customer we will develop and use customer plans in partnership with dealers



- Aim
 - Structured way to discover strategic pricing and sales opportunities
- Goal
 - We should be fairly compensated (price and sales) for the value we create
- How
 - Value is created when we can help customer cut costs, increase revenues, or both
- Why
 - Customers may know their needs, but they do not always know what fulfilling those needs is worth to them or the value created. This tool helps quantify that value.
- Sales calls are opportunities
 - Sales professionals should have a clear idea of
 - Why they are going out on calls
 - What they want to find out
 - Which questions will give them the needed answers

Our Expectation: Dealer Sales Team to Assist in Gathering Information and Collaborating on Customer Strategy



In VOC we Heard:

- "Every 3 to 6 months, find out what is happening to our business, business priorities. Komatsu dealer speaks with us every week or two." Customer
- "SENNEBOGEN should be more proactive: visit customers, understand his
 environment and provide advice on less machine breakdowns and
 increasing machine longevity. When SENNEBOGEN rep calls or emails he
 asks how things are and does customer have any issues. This is not
 enough." Customer
- "Dealer in State X is a dealer for them, I have not heard from them. Do they even know I have the machine?" Customer
- "We talk to a sales rep from dealer once in a blue moon." Customer



Introduce Customer Segmentation



Premium – RBM is directly involved in these accounts and drives the business with the Dealer

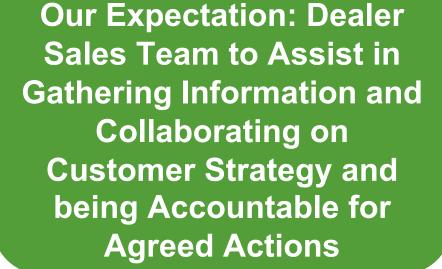
Customer Plan is required
Opportunities Identified and created



Performance- RBM is driving the business and working with the Dealer to accomplish action plans and strategy.

Customer Plan is required

Opportunities identified and created





Value – Dealer is Owner of these and RBM is driving and following up on actions to be taken Need to "qualify " as opportunity or not and updated

Value with Opportunity should have a customer plan worked out with Dealer



RBM will Ensure we are using a Consultative Selling Process

- Have approached with a curious mindset (NOT: I already know what he needs!)
- Avoid "what is my price" discussion, explain to them "Solution Provider"
- SELLING THE SENNEBOGEN AND DEALER STORY!
- Follow your agenda of questions to probe (coming from customer plan)
- Seek out what they value and why
- Try to understand what keeps them up? What are pain points? Perfect world solution?

Our Expectation: Dealer follows the Sales Process showing Value Early while Including SENNEBOGEN



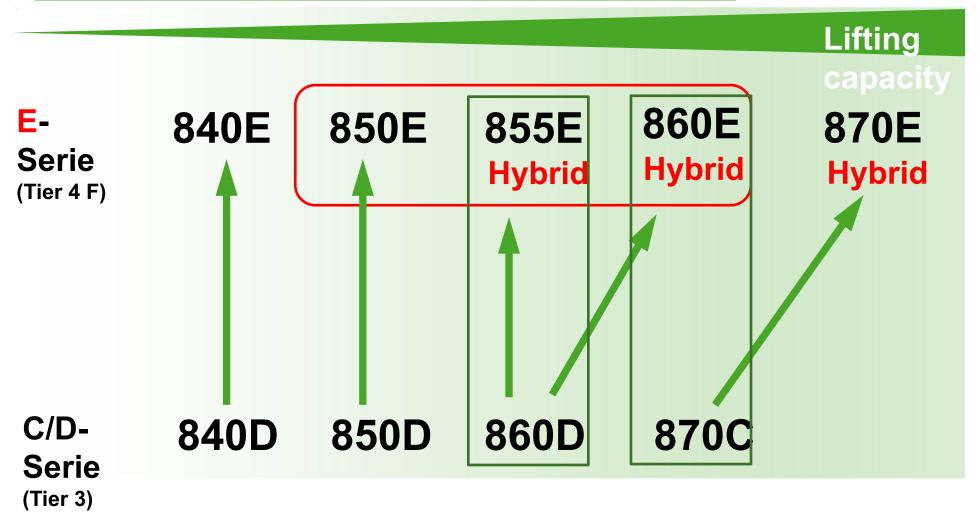
RBM should ensure we are using Consultative Selling-to Finding the Right Solution

- Ask the right questions to understanding customer need
- Follow a process (Customer plan)
- Critical to be involved early in the process, not at price comparison stage
- Understand clearly "Why did we quote that machine?"
- Providing right solution confidently!
- Example 895E vs E-Crane

Our Expectation: Dealer allows RBM to help drive the business with transparency and strategic planning together

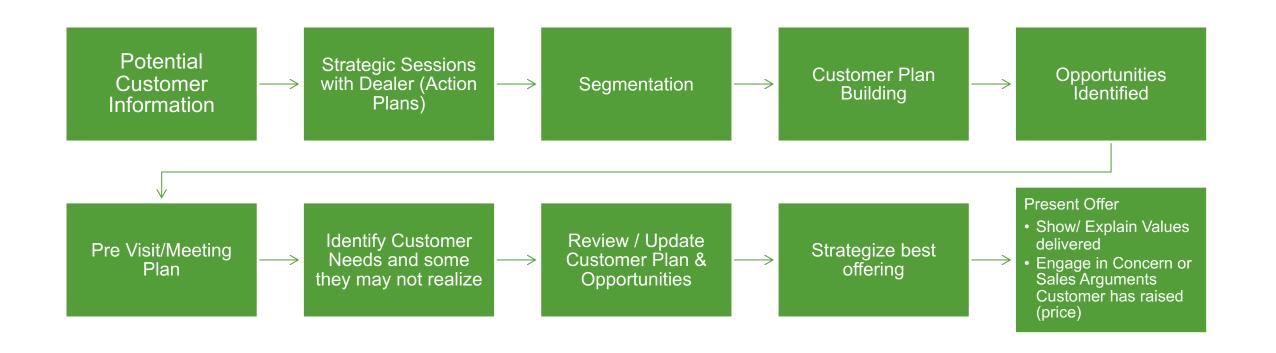


MARKET POSITIONING ON LARGER MODELS



Same lift capacity





Our Expectation: Dealer supports the Sales Process





Quotation To:

Quote #: QUO-10319-K3M7D9 Date: 4/7/2020 Delivery Date: TBD REQ:

Email:

We at are pleased to offer you the following equipment for your consideration.

2020 New SENNEBOGEN 830M S/N TBD

Base Selling Price (Ea) \$543,344.00

- 830M E SERIES SENNEBOGEN
- 1,25YD 4-TINE GRAPPLE
- MAGNET SUSPENSION LINK
- 25kW BALDOR GENERATOR
- K15 REACH PACKAGE 50'3"
- SPEC SHEET ATTACHED
- Galveston Port Surcharge
- DELIVERED TO TDS

Total Accessory Price

WARRANTY: 1 Yr / 2,000 hrs - Complete Machine

\$5,856.00 \$1,500.00

\$7,356.00

Total Sales Price (Ea) \$550,700.00

Net Sales Price		\$550,700.00
Sales Tax	8.2500000	\$45,432.75
Diesel Tax	1.5000000	\$8,260.50
HET	0.1687000	\$929.03
Total Sales Price		\$605,322.28

We look forward to your valued order. If you have any questions or comments please feel free to contact me at

Regards,



Proposal Preparation and Delivery

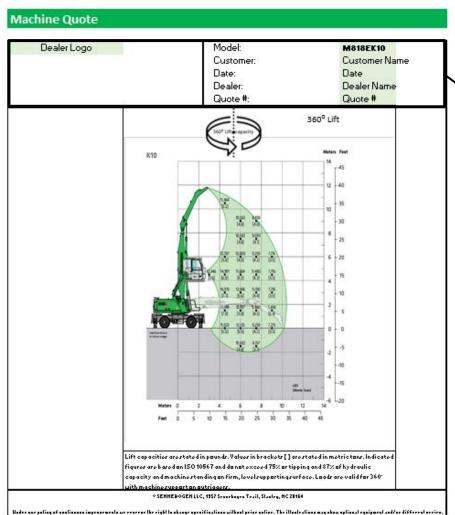
- Machine
- Highlight values
- Focus on customer specific items
- Quantify with estimated \$\$ for values you have or the machine has
 - Example Safety Guard typical cost
 - Other items you are providing w/ value (\$\$)
- Include Product Specific Values if you are aware of competitive quote (ex. Fuel consumption, cycle time)
- Offer Uptime Kit benefits and price
- PM and RAMP service offered
- Present the offer where you can explain the above (don't just send email)
- Discuss with customer was there any area of that was not covered

Our Expectation: Dealer is transparent with SENNEBOGEN while communicating clearly delivered value to customer





Machine Quote Example

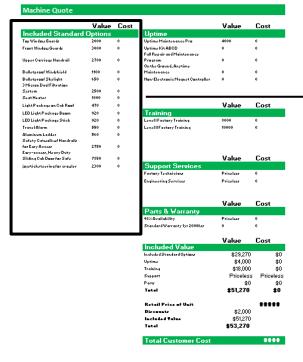


Machine Quote

Dealer Logo	Model:	M818EK10
	Customer:	Customer Name
	Date:	Date
	Dealer:	Dealer Name
	Quote #:	Quote#

Machine Quote Example

seNebogen°



	Value	Cost
Included Standard Option	s*	
Top Window Guards	2000	0
Front Window Guards	3000	0
Upper Carriage Handrail	2700	0
Bulletproof Windshield	1100	0
Bulletproof Skylight	650	0
3 Micron Dual Filtration System Seat Heater Light Package on Cab Roof LED Light Package Boom LED Light Package Stick Travel Alarm Aluminum Ladder Safety Catwalk w/ Handrails for Easy Access Easy-access, Heavy Duty Sliding	2500 1000 470 920 920 550 560	0 0 0 0 0 0
Cab Door for Safe Entry	7850	0

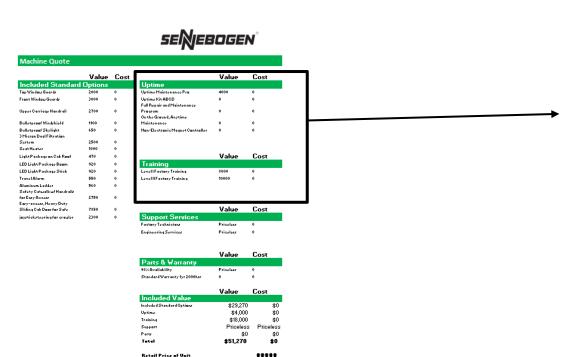


Machine Quote Example

\$2,000

\$51,270 **\$53,270**

Included Talue



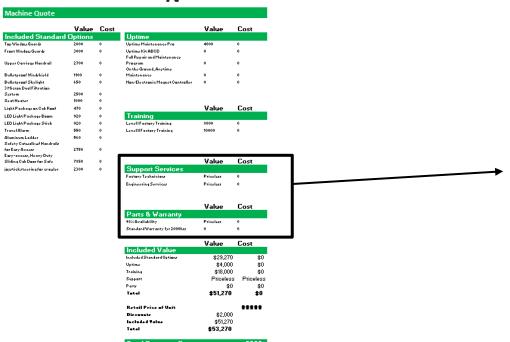
	Value	Cost
Uptime		
Uptime Maintenance Pro	4000	0
Uptime Kit ABCD	0	0
Full Repair and Maintenance Program	0	0
On the Ground, Anytime Maintenance	0	0
Non-Electronic Magnet Controller	0	0
	Value	Cost

	value	COSE
Training		
Level I Factory Training	8000	0
Level II Factory Training	10000	0



Machine Quote Example

SENJEBOGEN°



	Value	Cost
Support Services		
Factory Technicians	Priceless	0
Engineering Services	Priceless	0
	Value	Cost
Parts & Warranty		
98% Availability	Priceless	0
Standard Warranty 1yr 2000hrs	0	0



Machine Quote Example

		Value	Cost
selNebogen°	Included Value		
Machine Quote Value Cost Value Cost Included Standard Options Uptime	Included Standard Options	\$26,970	\$0
Tor Windows Goverdr	Uptime	\$4,000	\$0
Bullstrand Stylight 59 Nen-Electronic Magnet Controller 0 System 2500 0 Suthfaster 1000 0 Light Peakes on Cat Room 470 Value CD Light Peakes on Cat Room 420 0 Training Training	Training	\$18,000	\$0
LED Light Package Shick 920 0 Level If actury Training 1000 0 Traval Alarm 550 0 Level If Factury Training 10000 0 Aluminom Ledder 540 0 Safary Octual Whaterally for Eary Access 2750 0 Eary-access, Heavy Duty	Support	Priceless	Priceless
Stiffing Can Dear far Sale 7850 0 Value Cost insysticks to ening far crauler 2300 0 Support Services Fastery Technicians Priceless Engineering Services Priceless 0	Parts	\$0	\$0
Value Cost Parts & Warranty 912: Availability Fricalezz 0 Stenderd Warranty by 2000hzr 0 0	Total	\$48,970	\$0
Value Cost	-		
Park \$0 \$0 Tintel \$51,270 \$0 Retail Price of Unit \$2,000 Biccount \$2,000	Retail Price of Unit		\$480,000
S51,270 S53,270 S53,	Discounts	\$0	
	Included Value	\$48,970	
	Total	\$48,970	



Lease By The Hour - The Best Financial Package Available

- Customer pays a Per-Hour-Rate regardless of time
- Strong option to include PM and RAMP
- Customer realizes their EXACT operating cost
- Directly attaches operating cost to revenue (changes from fixed to variable cost)
- Cash flow consideration
- Every customer that has tried this has NEVER gone back
- Historical buyers are seriously interested in this!!

Our Expectation: Dealer should be offering these options to every customer and explain them properly



How Can We Support Used & Rental SENNEBOGEN Market

- Rental business is a great revenue stream
- Rental and Used machines bring more sales
- Great driver for parts and service departments

Our Expectation: Dealer supply us with info on how we can help you get stronger



Sales Tools

- Tools / Resources Available
 - Dealer Portal
 - SENNEBOGEN vs. Others Comparison
 - How to sell against Liebherr/Fuchs
 - Specific application details/benefits
 - Video Library : Walk Around and Demo Videos
 - Agenda for Meetings
 - PM and RAMP advantage
 - Updated Quote Document
 - Engineered Solutions / Drawings

Our Expectation: Dealer Sales should be utilizing these tools to sell value and generate margins

Take Note of These Policies



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- Multi Territory (any customer deals that include more than 1 dealer territory) deals MUST include RBM at earliest stage
- 3rd Party Extended Warranties must be stated clearly 3rd Party or NOT FACTORY WARRANTY on all quotes
- Grey Market machines cannot be sold as Sennebogen LLC machines:
 - Must be declared as a grey market
 - Clear no factory warranty applies
 - Customer notified parts & service may not be as readily available

Keep in mind these machines are typically built to different specs than Machines designated for North America

ALL dealers MUST have a <u>Sennebogen Specialist on staff-</u> Specialist training in November

Our Expectation: ALL dealers are abiding by these policies 100%



Product Specialist Training Q4

- Date: Week of Nov 9th
- Who should attend?
- What should they expect?
- Your RBM will be in contact with you for more details on scheduling

Our Expectation: Dealer has person(s) attending



Diversify YOUR MARKET COMPETITION!

- Over the NEXT 9 MONTHS (thru March '21)
- Individual Salesperson of record who SELL (2) Diverse Application with PO in hand (limited to the 1st (5 salespersons))
- Diverse application is Waste or Port at <u>least (1) Port required</u>
- Trip for (2) to Europe one week in Sept 2021
 - Airfare to and from Germany
 - Accommodations / Meals while staying in Germany
 - Personal option to extend travel



SENNEBOGEN will become a Customer Centric Company

 With SENNEBOGEN's customer-centric approach the competition will become irrelevant

- The work we are doing together will take us to new heights
 - Drive revenue and profit

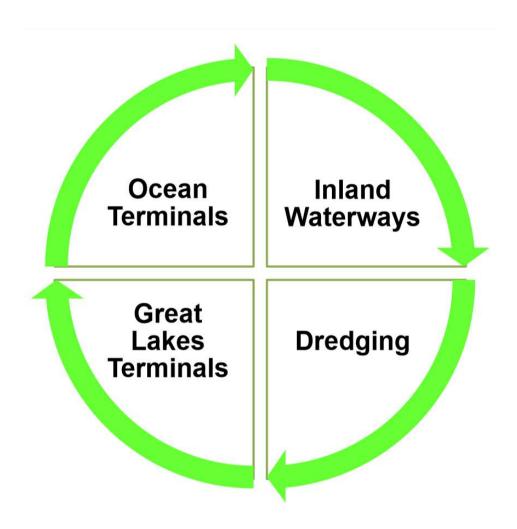
Port Focus

David LaFleur











Applications

Inland River Terminals

Barge Unloading/Loading Transloading

Great Lakes Terminals

Barge Unloading/Loading Ship Unloading/Loading

Ocean Terminals
Barge Unloading/Loading
Ship Unloading/Loading

Marine Construction

Dredging Environmental Dredging



Applications

Inland River Terminals

Barge Unloading/Loading Transloading

Container Unloading/Loading Breakbulk Unloading/Loading

Great Lakes Terminals

Barge Unloading/Loading Ship Unloading/Loading

Container Unloading/Loading Breakbulk unloading/Loading

Ocean Terminals

Barge Unloading/Loading
Ship Unloading/Loading
Container Unloading/Loading
Breakbulk Unloading/Loading

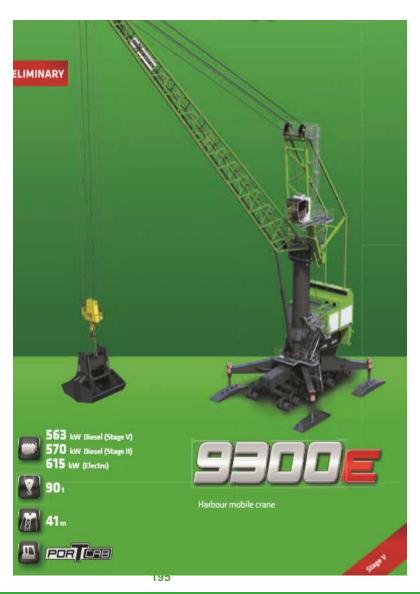
Marine Construction

Dredging Environmental Dredging

Maintenance Dredging Jetty/Breakwater Construction









Road to Port Success

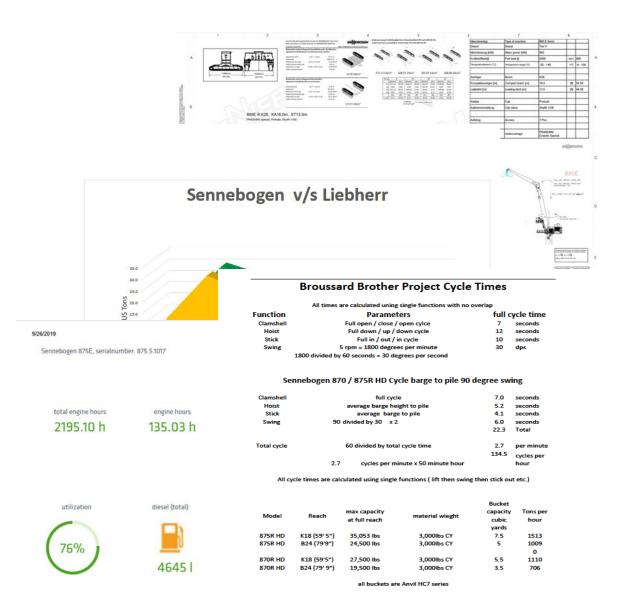
- Qualify the customer ask the right questions
 - What machines are you currently using
 - What are your pains
 - Who performs their maintenance
 - Do they track operating costs
 - What material are they handing
 - Any special projects
 - Production requirements



Road to Port Success

- Use our available tools
 - Port Survey
 - Machine lift chart comparison
 - Fuel comparison
 - Cycle time estimates
 - Production estimates
 - RBM, Specialists & Engineering







Road to Port Success

- Present the quote properly
 - In Person
 - Large drawings
 - Value presentation

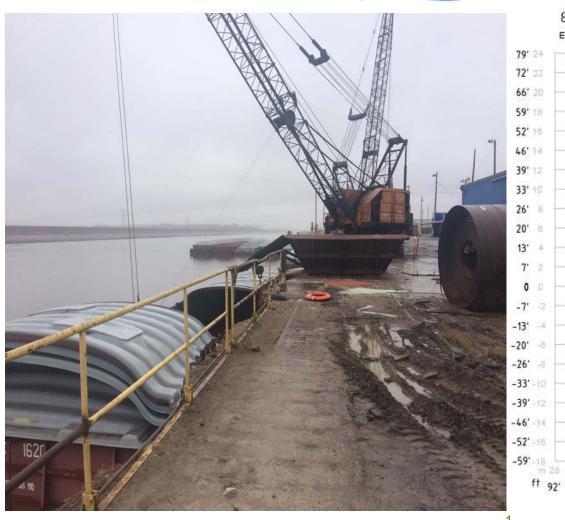




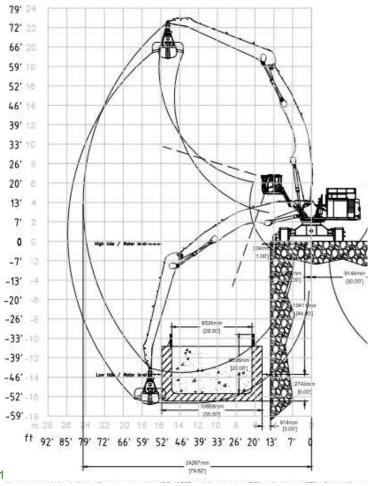








875E R B24, BA14.5m, ST12m, R147/580 E300/260 Kabine maXcab Industrie

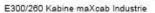


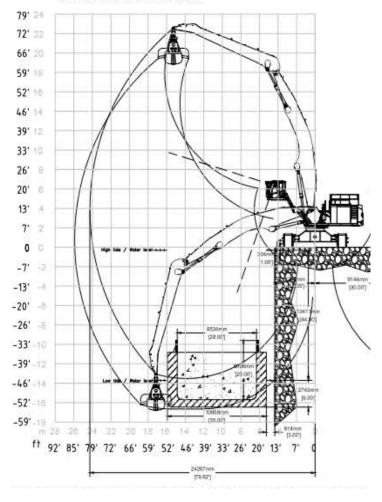






875E R B24, BA14.5m, ST12m, R147/580









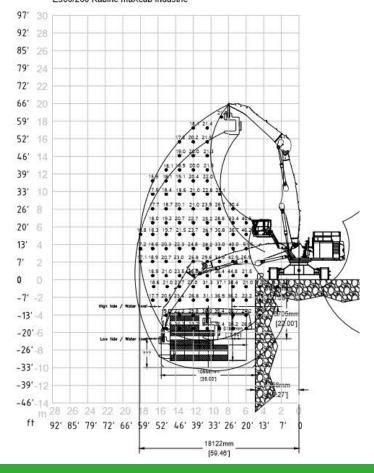






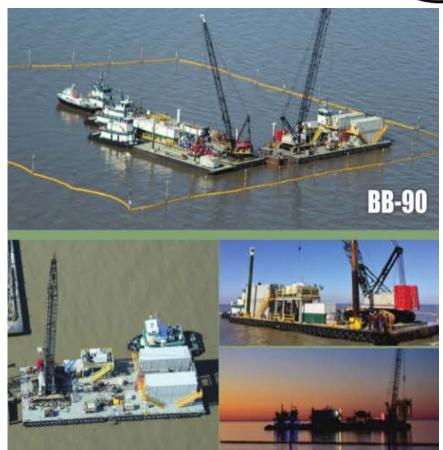


875E R K18, KA10.5m, ST8.5m, R147/580 E300/260 Kabine maXcab Industrie

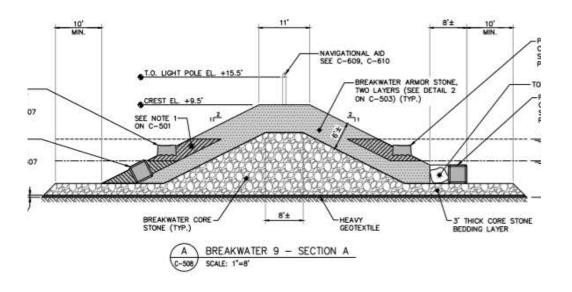








875R HD K24

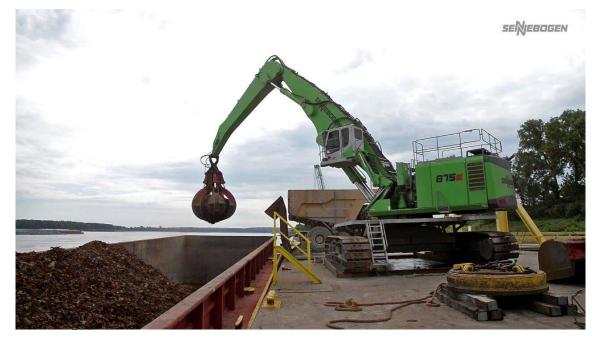


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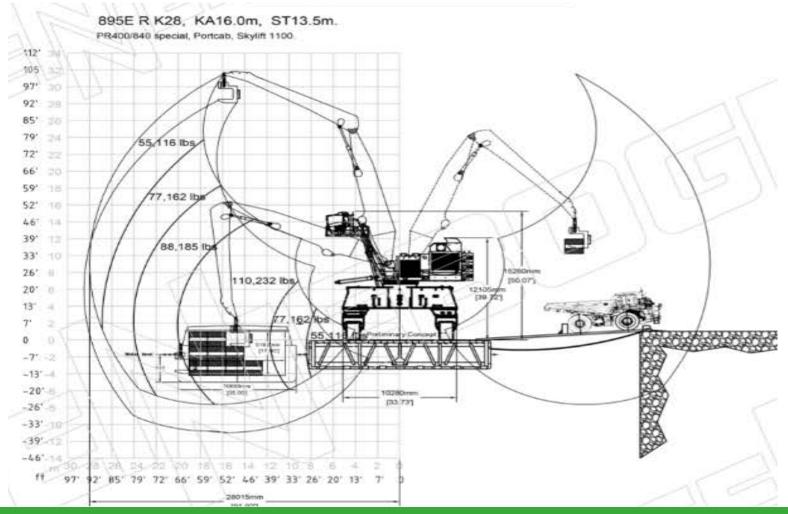






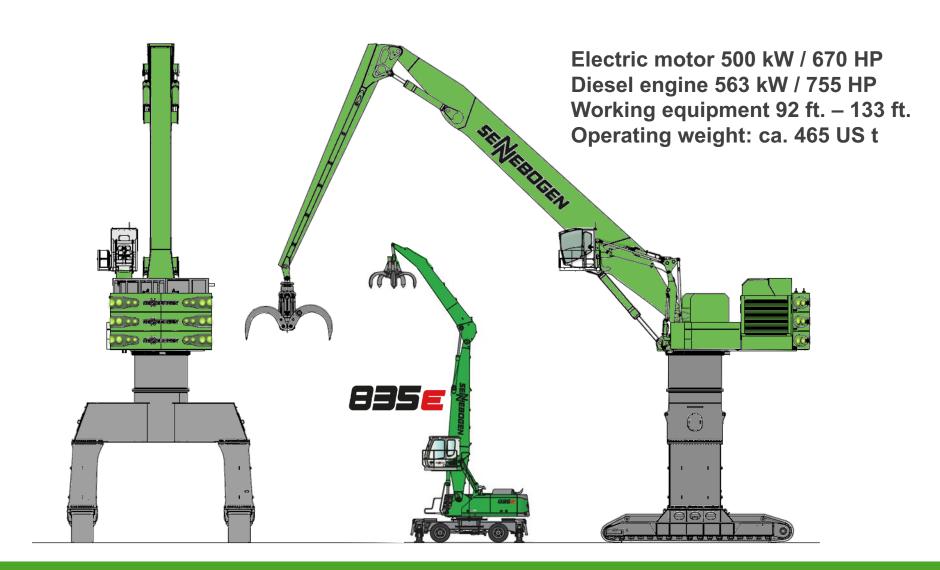


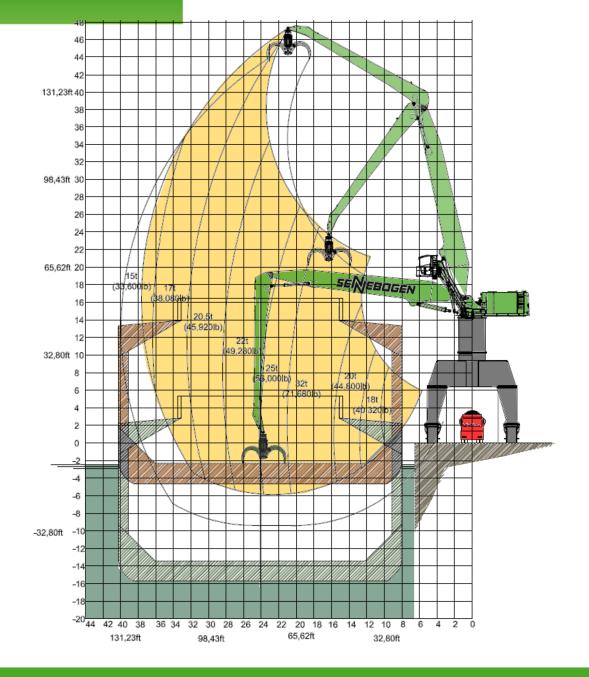






New Port Material Handler

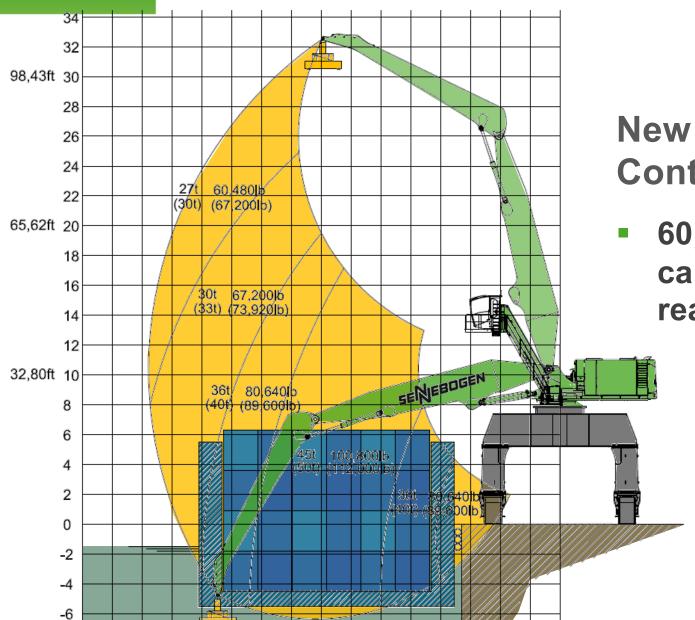




SENJEBOGEN

New Port Material Handler

- 33,600 lbs.capacity at 131 ft.reach
- 465 US tons operating weight

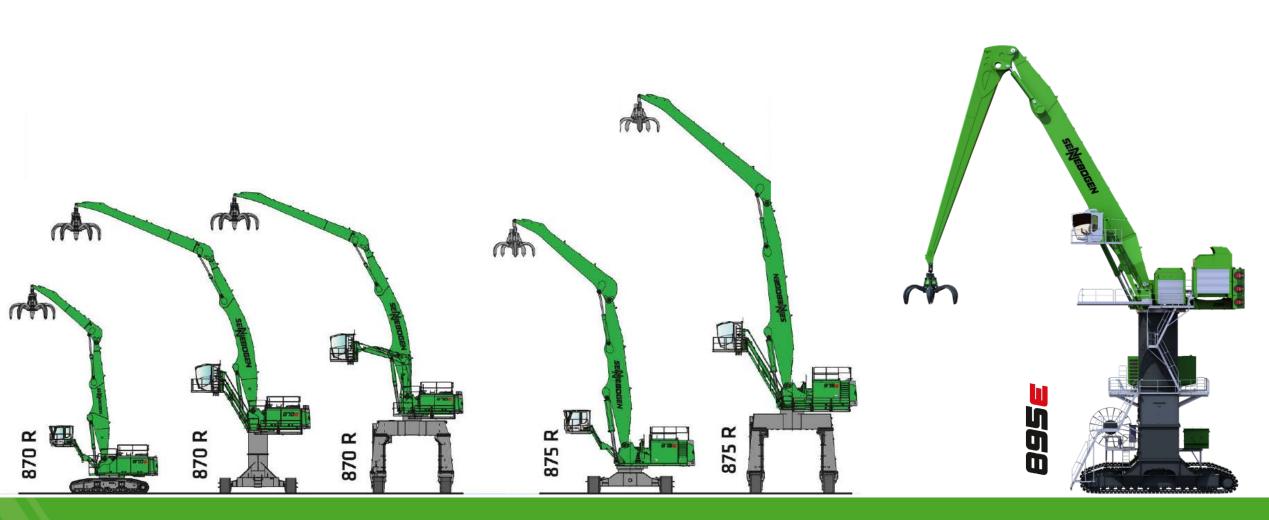


SENJEBOGEN

New Port Container Handler

60,480 lbs.capacity at 91 ft.reach

SENEBOGEN

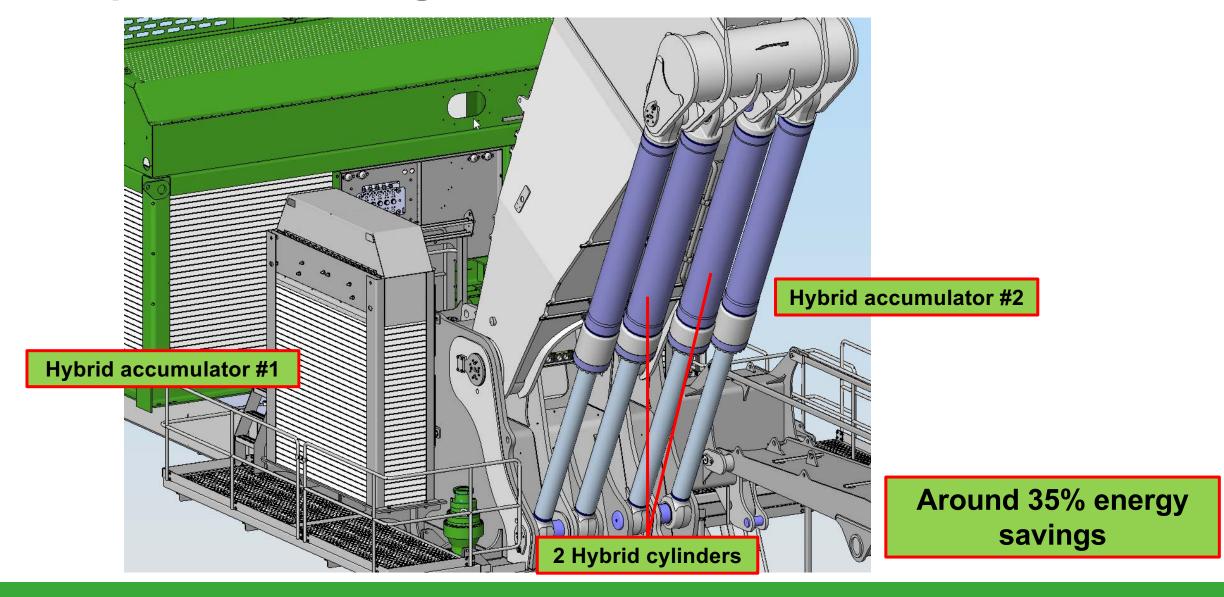


Components and Design



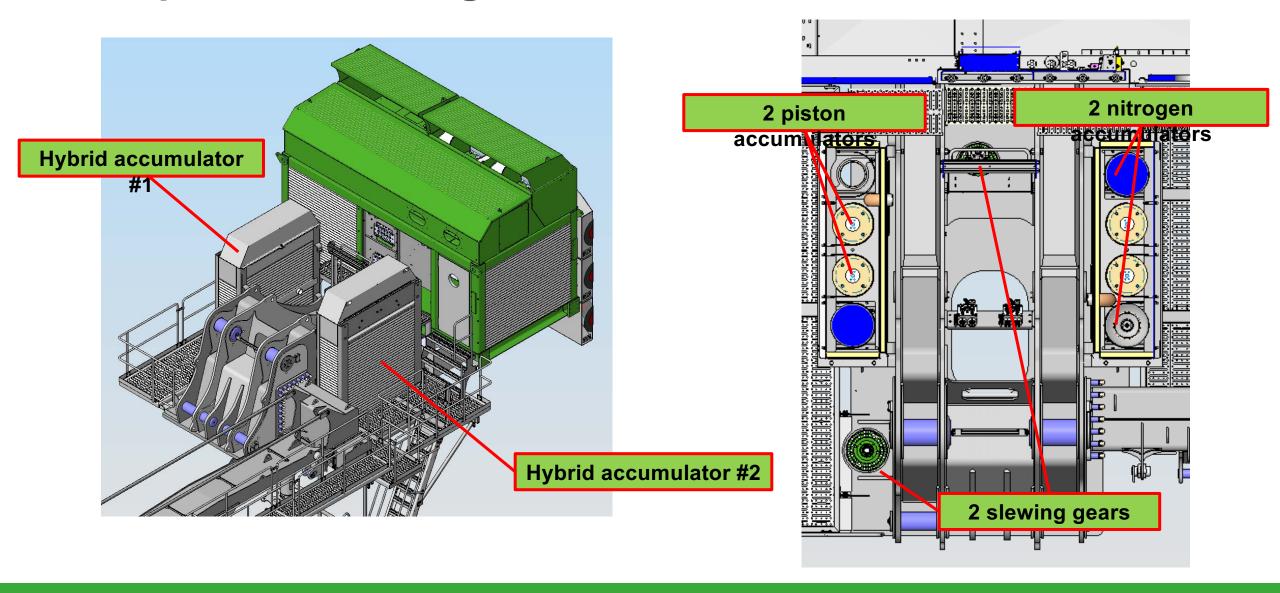


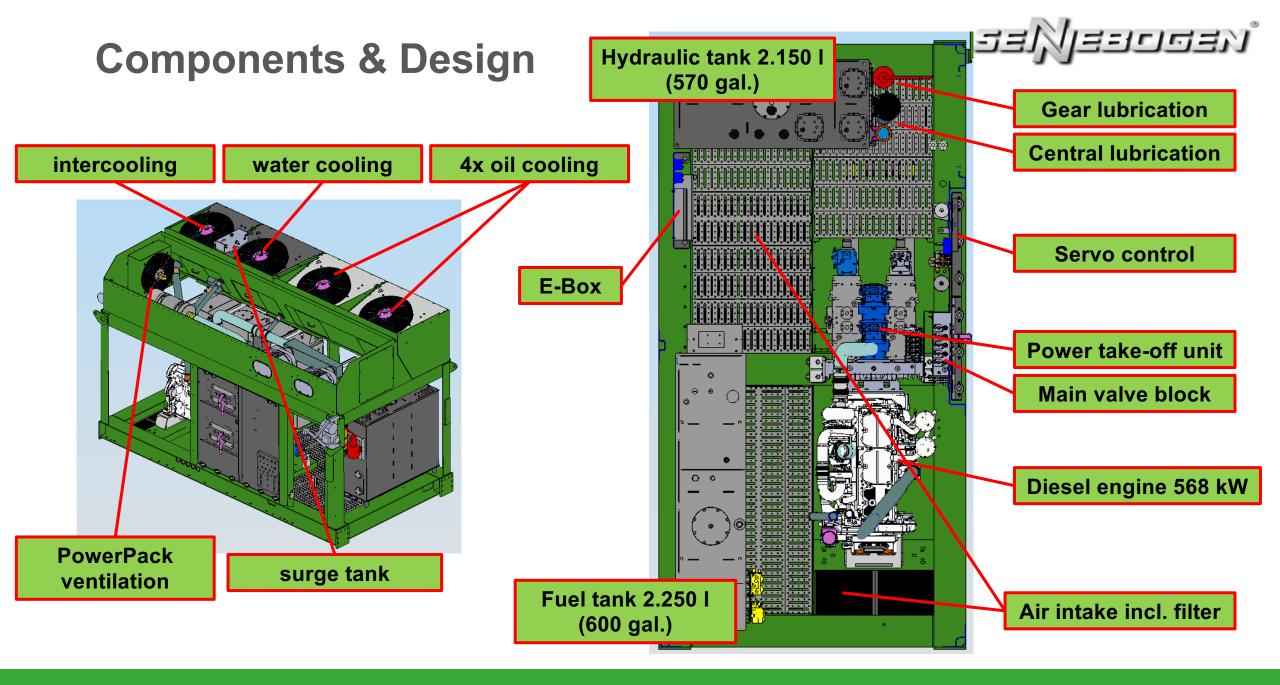
Components & Design



Components & Design

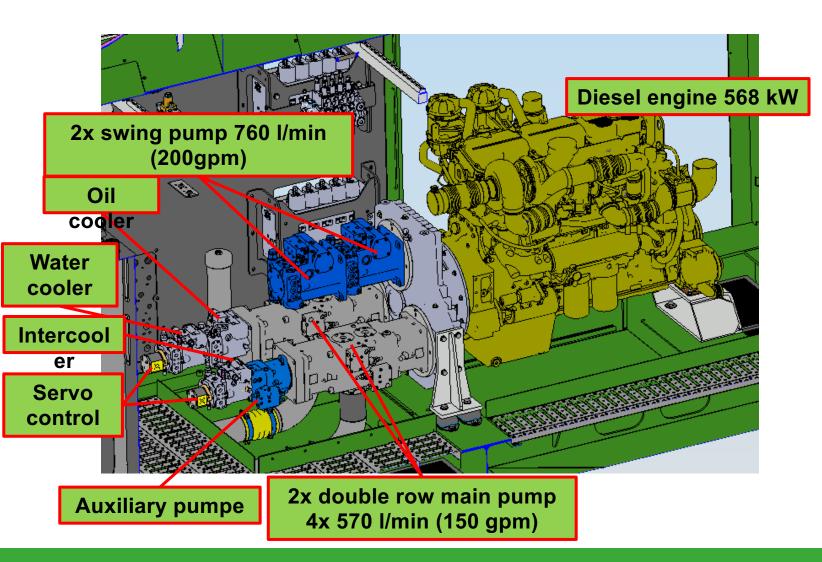


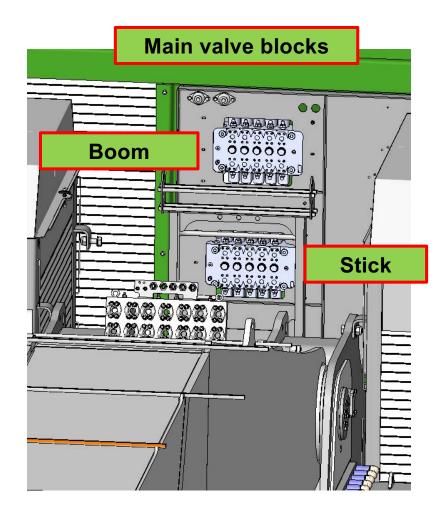




Components & Design

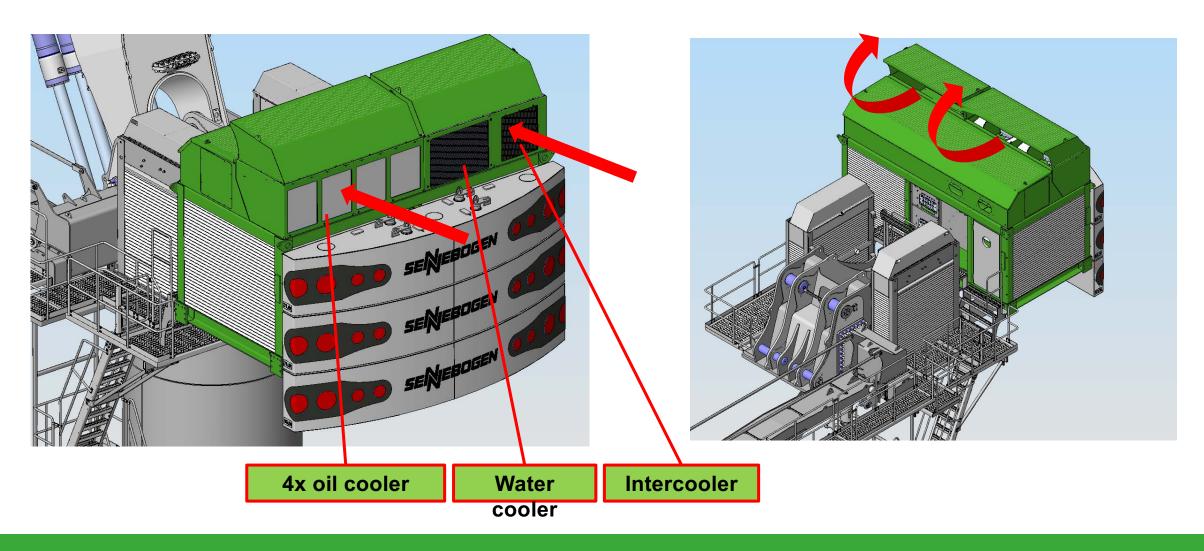


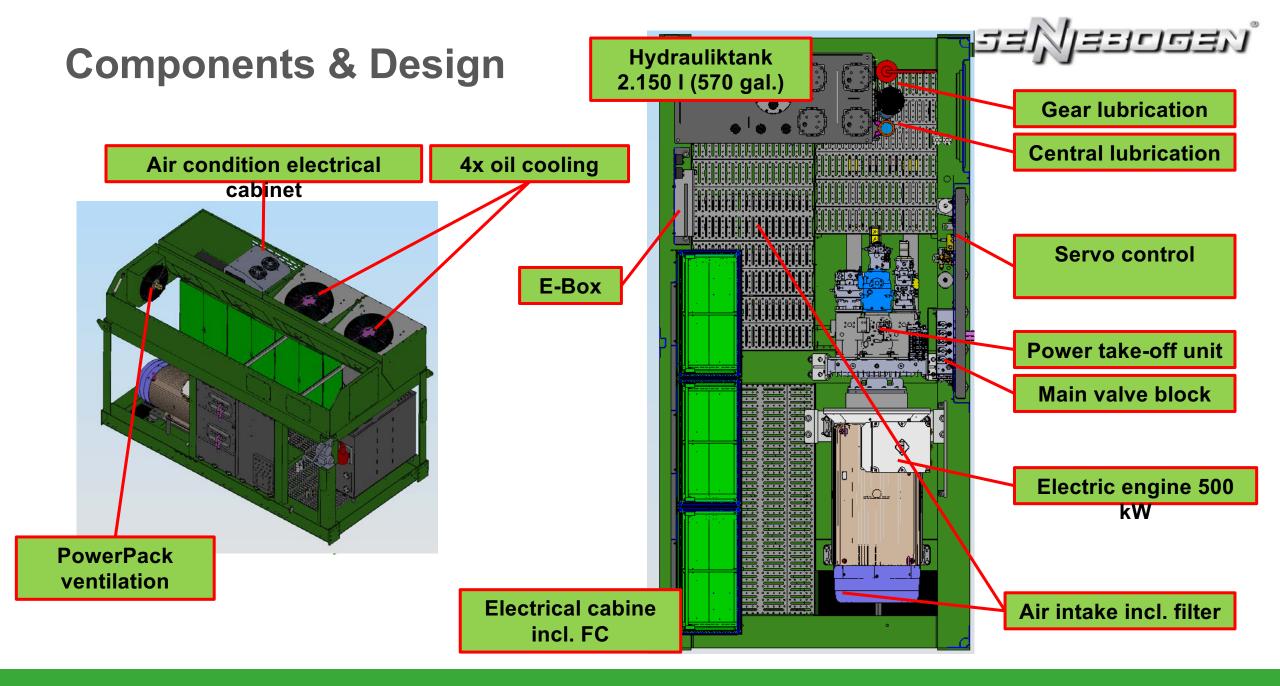




Components & Design



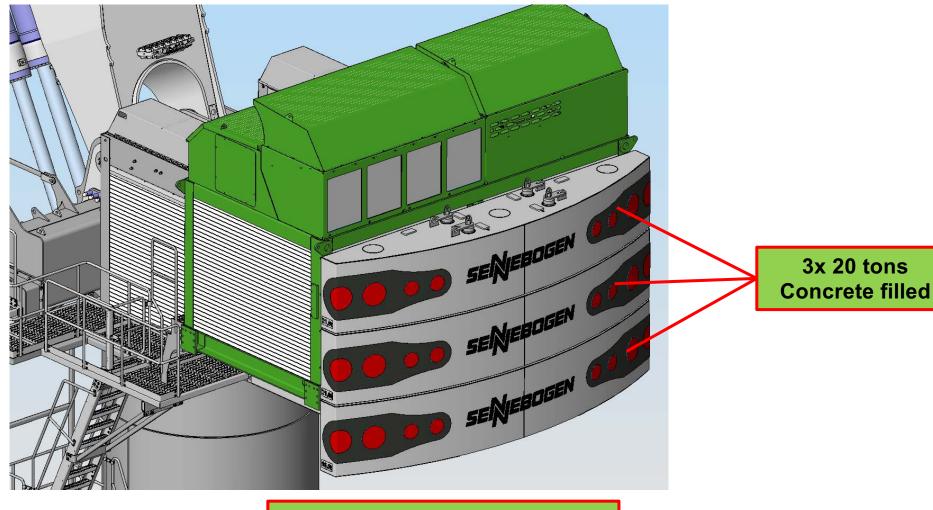




Components & Design



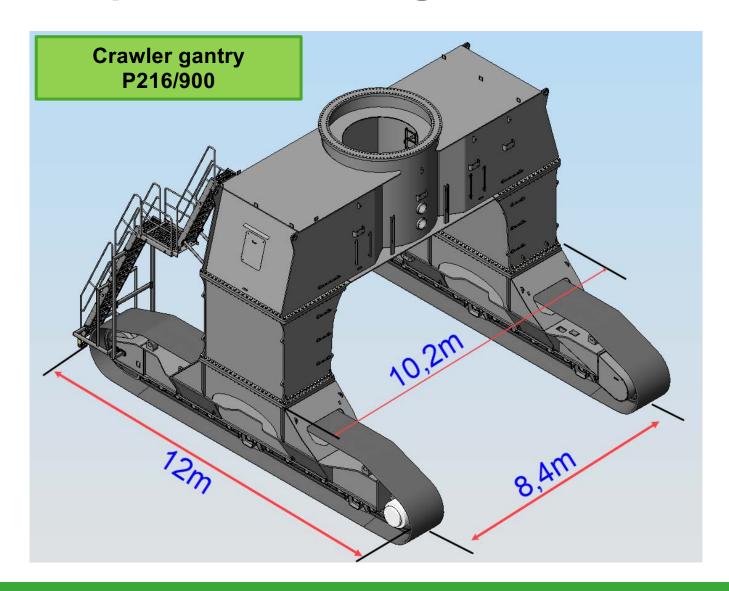
Powerpack around 22 tons



3x 5 tons under Powerpack

Components & Design

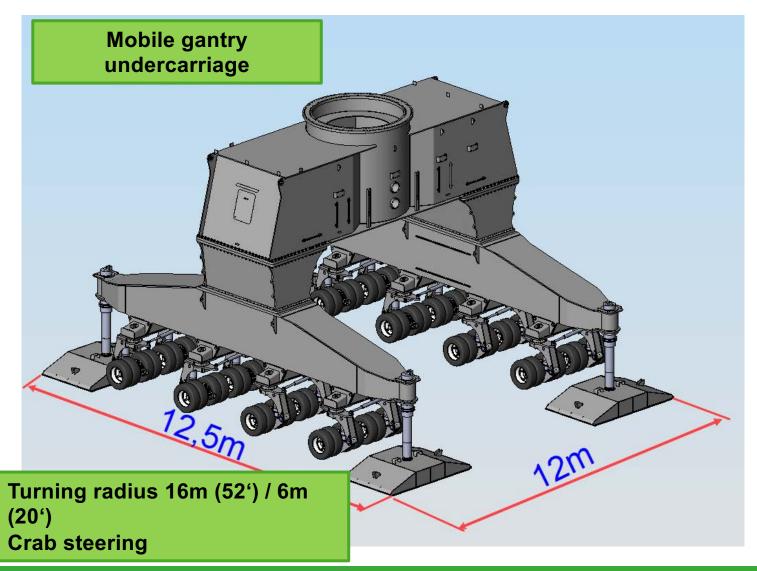




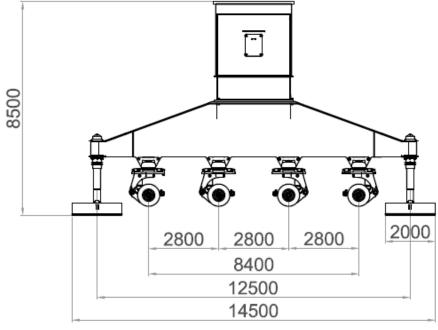
- Track width 1,20 m (48")
- Clearance width 6,00 m (20')
- Clearance height 5,50 m (18')

Components & Design



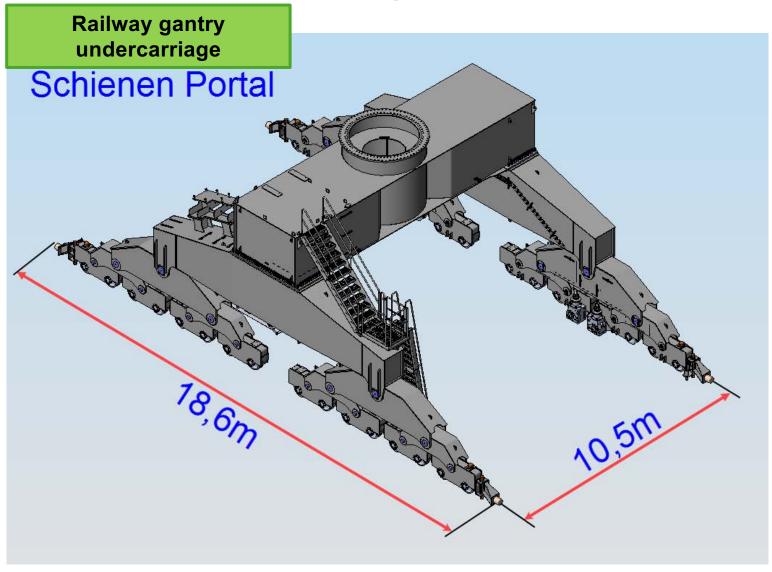


- All wheel steering
- 4x twin wheel per suspension
- 32 powered wheel pairs









Service Accessibility





Service Spots:

- ✓ Electrical cabinet
- ✓ Hydro Clean filter
- ✓ Central lubrication
- ✓ Gear lubrication
- ✓ Battery disconnector
- ✓ Main fuse





Applications

Inland River Terminals

Barge Unloading/Loading Transloading

Container Unloading/Loading Breakbulk Unloading/Loading

Great Lakes Terminals

Barge Unloading/Loading Ship Unloading/Loading

Container Unloading/Loading Breakbulk unloading/Loading

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Marine Construction

Dredging Environmental Dredging

Maintenance Dredging Jetty/Breakwater Construction

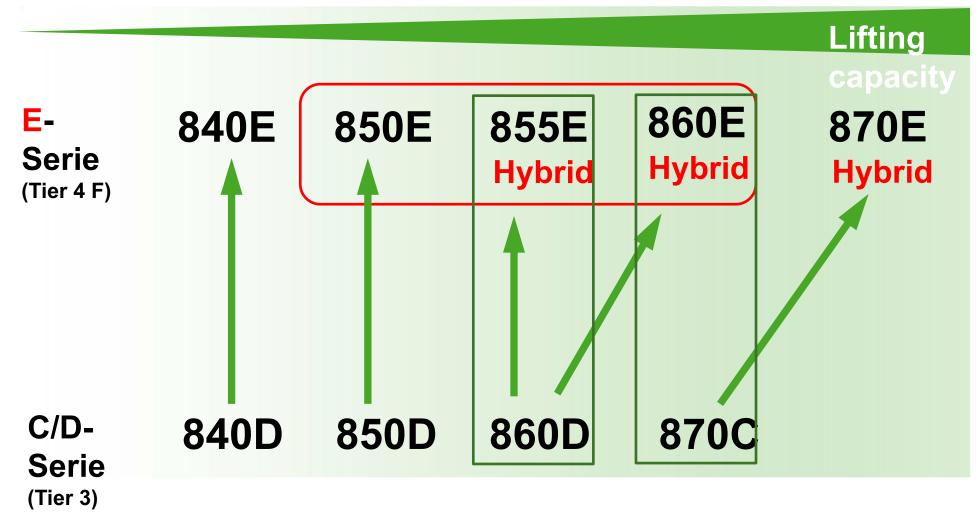
Changes to the Product Line

Constantino Lannes



Market positioning on larger models

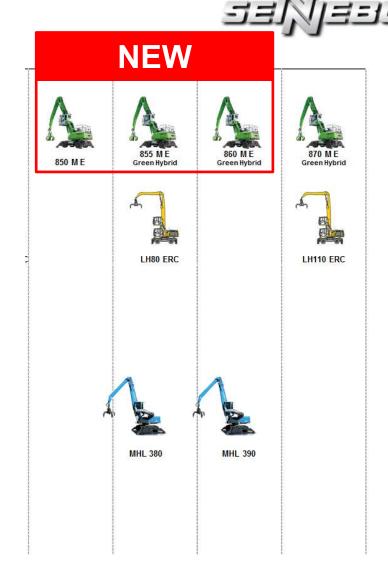




Same lift capacity

Competitive Situation

- New models in 2018 / 2019
 - 850 M E Tier 4 = 850 M "D" Tier 3
 - 855 M E Tier 4 = 860 M "D" Tier 3
 - 860 M E Tier 4 = 870 M "C" Tier 3



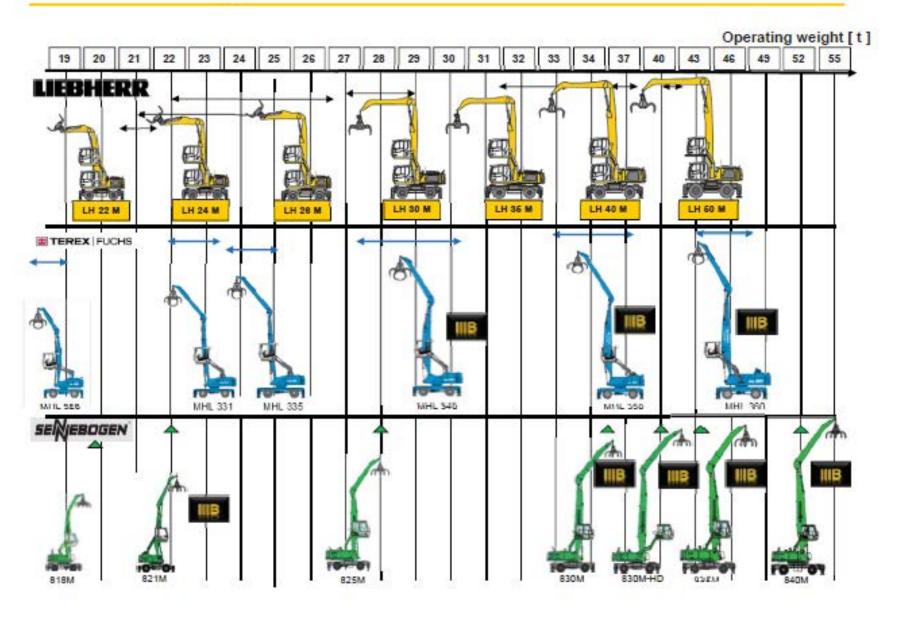


Load chart comparison USA

Mobile	0.50 vd3	0.50-0.75 yd3	0.75-1.00 yd3	1.00-1.25 yd3	1.25-1.50 yd3	e peel grapple, 4	1.75-2.00 yd3	redded scrap, er	(c.)	3.00.4.00.443	3.50-5.00 yd3		1	ı	1	1	1
	0.30 yes	0.30-u.75 yu3	0.75-1.00 903	1.00-1.25 903	1.23-1.50 yes	1.30-1.75 γα3	1.75-2.00 yas	2.00-2.50 yas	2.50-3.30 yas	3.00-4.00 yas	3.30-3.00 yas	EF 10			1		10
Scrap Magnets	36"-42"	48"-50"	48" - 54"	58 - 62"	58" - 62"	62"-66"	62"-67"	66"-78"	72"-82"	78"-84"	78"-92"	0 1					
Sennebogen	818M E	821M E	825M E	830M E	830M-HD-5 E	835ME	840ME	850M E	855ME Hy.	870M C 8 860M E Hy.	70M E Hy. 870M E Hy	875M E Hy.	75-313-93	Hy. Port	SSOR EQ	885R E Hy.	895R E Hy.
Liebherr	LH222 L	H24 LH26	CH30 CH	B5 LH40 ERC	LHS0 ERC		LH60 ERC		LH80 ERC U	HIII Port LH	110 ERC LH110 P	ort LH150 LH1	Port				
Caterpillar			MH3024 MH	8026													
Terex-Fuchs	MHL320	MHL331 MHL335	MHL340	MHL350		MHL360	MHL370		MHL380	MHL390							

Product range - mobile











Closing

This is a partnership