



2003 Workshop

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**Late Summer 2003
Greeting**

July brought a record number of thunderstorms to Chicago and August is bringing the heat!

The hottest news is that the economic wizards have decided that the recession trough occurred some 21 months ago; Bob Dieli will have more to say about that. The October 2002 engines are starting to sell. And even more importantly, as this is being scribed, the White Sox are tied for first and the Cubs are only a 1/2 game out of first place. What a difference a year makes!

Thanks to all of you for being part of the MacKay & Company extended family over the past several months. We certainly appreciate both your interest and your business.

**DataMac®
Participation at an
All-Time High**

MacKay & Company wishes to thank all the participants in its Truck and Tire DataMac programs. We have a record number of companies in both programs. Twenty companies now participate with us in Truck DataMac and five in Tire DataMac.

With this increased participation, we have been able to expand our DataPulse activities and the scope of our workshop. We have experienced a growing number of inquiries concerning specific products, product groups and distribution activities—questions and interest go hand in hand!

Thanks, again, to all of you who continue to support our Truck and Tire DataMac programs. We look forward to adding even more value to both programs in the coming year.

DuPage Giving

On Thursday, September 11, MacKay & Company is one of several companies volunteering time to assist not-for-profit organizations throughout DuPage County. Two MacKay & Company teams will be donating time to the Spring Brook Nature Center. We will be cleaning out creek beds and planting trees. If you would like to don a pair of rubber boots and/or leather gloves and join us, please let us know!

2003 Workshop: Biggest Yet!

Tuesday, June 17 kicked off MacKay & Company's 20th DataMac Anniversary Workshop — and what a workshop it turned out to be. With the exception of a brief thunderstorm on Wednesday evening, the weather cooperated splendidly. And our predictions for a June workshop were 100% accurate: NO SNOW!

The Tuesday golf outing was an ambitious and aggressive best ball foursome won by the narrowest of margins by Dave Fulghum and his team of Dave Beasley, Francois Cadoret and Jason McIntyre. Since Dave is responsible for many of the numbers MacKay & Company generates, an audit was conducted, fortunately, without incident.

Wednesday was a full day of presentations and panel discussions. Our large fleet/new truck buyer panel highlighted the morning session. In the afternoon, our distribution panel (dealers and distributors) and our panel of used truck buyers/operators and vehicle and component recyclers gave the workshop attendees a complete "cradle to grave" perspective on the truck business and the aftermarket. It was a full and busy day with lots of attendee question and answer activity to well after 5PM.

Thursday, the workshop focused on forecasting methodology, vehicle forecasts and our traditional aftermarket forecast delivered by Don Kuntz. For those companies participating in our Service Study Update and in the Aftermarket Index, separate sessions were held on Thursday afternoon.

To the more than 80 who attended this workshop, many thanks for your time, interest and feedback. We look forward to visiting you at your location next year and to having you back in 2005 for our next workshop.



Gee, Did We Miss Something?

Shortly after the successful completion of our 20th Anniversary DataMac workshop, a press release from R.L. Polk drifted into our office. The premise of the release, as we read it, was this quote: "We have all seen or heard about the difficulties companies have objectively measuring the success of their commercial aftermarket programs due to the lack of available information". To overcome this apparent obstacle, Polk is developing a parts consumption database with which "companies have the capability to measure and analyze the parts aftermarket by market segments, such as sales territories, vocations and OEM nameplates..."

We agree this isn't a bad idea — since we've been providing this service for over a decade for some of our clients. And, since registrations do not tell you where trucks and trailers are maintained, we do not use registration data. We've developed a comprehensive local area vehicle universe database that ties trucks and trailers by vocation of use to specific county-level economic activity indices. It's hard to sell brake parts or tires for the hundreds of thousands of trailers registered in Tennessee when very few of them are actually maintained there. And since nearly 75% of the heavy duty aftermarket is generated by Class 8 power units and trailers, knowing where they're actually operated and maintained is more than just interesting — it's crucial!

We'd be happy to provide you more information on the local area market potential database programs our clients are using. Just give Dave Fulghum a call.

Truck & Trailer Service Study Update Nearly Complete

The multi-client research program to update the 1997 Study of the Truck & Trailer Service market is nearing completion. Final reports should be available for all participating clients by the end of September.

Nearly 3,000 operators of Class 6, 7 and 8 trucks and tractors and trailers participated in this current research program. As a result, the service activity and profile information will be both extremely extensive and represent very high levels of statistical significance for each vocational group in the universe.

For the first time, extensive data has been collected on contract maintenance programs, warranty labor, service labor on electronic components (engine ECUs, ABS, etc.) both in and out of warranty, point of service for a variety of warranted repairs and a variety of other issues. As in the 1997 Study, five-year outlooks for each significant service labor activity will be included in the report.

For further information concerning the availability of this study, please contact John Blodgett.

Coming Attractions

August 2003

DataMac Truck Report

September 2003

Service Study Complete

October 2003

Fall Tire Report

January 2004

DataMac Mexico 2004 launch

Meet a MacKay & Company Employee

From Hugh to Stu ... after spending four years developing and managing business applications for Playboy.com, Chris Walters accepted the position of programmer/analyst at MacKay & Company



on September 10, 2001. The next morning, September 11, put into new perspective the very simple act of going to work on a Tuesday morning, let alone the exciting possibilities

of a new job. Nevertheless, Chris has embraced those exciting possibilities for the last two years at MacKay & Company administering network servers and multiple databases and developing database and web applications for both in-house and client purposes. Chris has devoted much of his life developing technology-based skills in music composition and computer programming, though his formal education is in fiction writing and education. Chris earned his undergraduate degree at Columbia College in fiction writing and a secondary education certificate in English from Elmhurst College. He maintains a busy life outside of MacKay & Company, pursuing graduate studies in theology and supporting his wife who is a local church pastor.

DataMac Mexico 2004 : Aftermarket Update

In 1999, MacKay & Company completed its third update on the commercial vehicle aftermarket in Mexico. The initial research was conducted in 1992, updates again in 1995 and a third time four years ago. In 1999, we indicated that another update would be scheduled in four years. Considering the state of the economy and the truck business this year, the update was rescheduled for 2004.

Mexico is now entering the second decade of NAFTA — and we anticipate seeing significant changes in the truck market and the aftermarket as a result. While Ross Perot’s 1992 “great sucking sound” of business moving from the United States to Mexico was probably overstated, there has been a meaningful and continuing shift in



manufacturing activity from the U.S. into Mexico. The 2004 Study will probe all the elements of the Mexican economy that are now impacting the truck business and the aftermarket.

The 1999 DataMac Mexico update showed an aftermarket with a retail value of nearly \$1.8 billion. Of this total market, truck dealers enjoyed only 17% versus 43% in the U.S. Without prejudging next year’s research, we would anticipate seeing the truck dealer share of the market well above the share indicated for 1999.

In addition to the research capabilities we were able to employ in the 1999 update, we have added the capabilities of Bob Dieli. Bob’s experience includes several years in Mexico and a thorough understanding of the economic structure and peculiarities of the Mexican economy.

DataMac Mexico 2004 will be launched in the first quarter of the year and will be scheduled for completion during the third quarter. Participation in the 2004 update will be modular, similar in structure to participation in DataMac in the U.S. and in Canada. For general planning purposes, base participation (one product module) in the Mexico update will be approximately \$20,000 and the complete participation with all product modules will be approximately \$30,000. Additional details on the study will be available in approximately 30 days. If there are questions in the interim, please do not hesitate to contact John Blodgett.

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