

1937 Mack CJ



December 2001
Volume 1, Issue 1

Inside this Issue

- 1 Holiday Greeting
- 1 What have we been up to lately?
- 1 Interface Option for DataMac
- 2 CE Parts & Service Study Completed
- 2 Truck Forecasting Program Now Underway
- 2 MacKay & Company Goes Global
- 3 We've Been Talking — and Talking!
- 3 Coming Attractions
- 3 DataMac – N/U?
- 3 Meet a MacKay & Company Employee
- 4 MacKay: A Clan Long Before A Company

MacKay & Company
One Imperial Place
Suite 300
Lombard, IL 60148
www.mackayco.com

MacKay & Company

Newsletter



Holiday Greeting

A very special holiday greeting to all of our friends from the staff of MacKay & Company. With all the challenges our country and our markets have experienced this past year, we welcome the festive atmosphere of the coming holidays. We still have a great deal to be thankful for and to rejoice over, regardless of the difficulties we currently face. We hope all of you will also find peace and enjoyment as your families gather.

In lieu of the holiday greeting cards we usually send, a donation is being made to appropriate September 11 disaster relief funds. Please understand that we think no less of you this year than in any past year. There are others that need both our thoughts and our support in 2001.

What have we been up to lately?

While many of you are familiar with our DataMac services and particular multi-client or proprietary work that we have done for your company, you may not be familiar with the scope of other projects we have worked on.

(continued – next column)

Over the past few years, MacKay & Company has:

- Explored the original equipment market for engineered plastics for a major chemical company
- Tracked customer satisfaction among new truck buyers for a major OEM
- Segmented the replacement parts market for farm machinery and identified market shares in each segment for a major equipment manufacturer
- Assessed the opportunities in North America for a European manufacturer of refuse bodies
- Conducted a series of medium duty truck product clinics for a major truck manufacturer.

Interface Option for DataMac

Imagine a DataMac icon on your computer screen. True, in and by itself, a DataMac icon is not very exciting, but imagine if this icon was a key to instant information for over 270 components on Class 6, 7 & 8 trucks and trailers. In addition, you would have the ability to produce over 800 charts and tables to fit your specific aftermarket information needs. For those companies that are presently using this CD the response has been overwhelmingly positive.

We don't want your DataMac reports to sit on a shelf and not be used to their full potential. We've made this information available in a database format with an easy Windows environment interface to make DataMac easier to use for you and your organization. Would you like a demo disk? Call Dave Fulghum today.



CE Parts & Service Study Completed!

MacKay & Company just completed a several month detailed analysis of the product support market for the mobile construction equipment. The study focused on all major types of equipment and 20 specific service activities. Some of the key findings include:

- The 20 service activities studied generated demand for 76 million service labor hours annually, approximately half the estimated 150 million hour service labor market.
- Over the next five years, these same labor activities will likely increase only 3%.
- The equipment owner/maintainer wants to outsource more service work over the next 3 – 5 years, but only if the service providers can meet his purchase criteria.

For the equipment dealer, there are many areas of concern or opportunity depending on how dealers position themselves to meet the needs of their customers over the next five years. While dealers will increase the percentage of their normal base business, this business is not increasing enough to offer growth opportunities. Business as usual may succeed in the short run, but only those dealers who think outside of the normal dealer activities will truly succeed in the long run.

There is still time for your company to receive the results of this important study and incorporate the findings into your strategic plans. In addition to a copy of the final report and the focus group tapes, an on-site presentation of the findings will be provided. This will include a detailed overview of the results and MacKay & Company's analysis of what the future implications will be for your company.

Please contact John Blodgett if your company is interested in learning more about this program and its value.

Truck Forecasting Program Now Underway

Late last year, MacKay & Company completed a comprehensive study of the used truck and trailer market. Several of our clients participated in this program, which culminated in a 230-page report and detailed on-site presentation of the research information. The study focused on the magnitude of both supply of and demand for medium duty (class 6 & 7) trucks, Class 8 trucks/tractors and trailers, the rationale driving used truck buyer purchase decisions, used equipment points of purchase and dozens of other important factors. This report is currently available for companies that chose not to participate in the program but are concerned about this market and the impact upon their company and markets.

A new service for MacKay & Company clients is being launched this month. This program will integrate detailed forecasts by vocation of use and weight class for both new and used trucks, starting with the Class 8 market. These forecast programs will take several factors into account – some of which are detailed below:

- The current operating universe by vocation and ownership
- Vocational trade cycles
- Vocational utilization and capacity
- Second owner purchase capacity
- Maintenance costs and the impact on trade cycles
- Component and vehicle longevity
- Configuration challenges

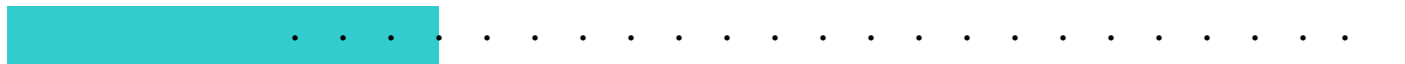
Please contact Dave Fulghum for details on both the recently completed study and the new service.

MacKay & Company Goes Global!

Recently Completed Projects
 DataMac Mexico: A third extensive analysis of the parts aftermarket for trucks and buses in Mexico was completed in early 1999.
 European AG Study: Extensive study of parts and service aftermarket for agricultural equipment in Germany, France, Ireland and U.K.

Just Completed
 European Truck Study: Extensive study of parts and service aftermarket for heavy truck and trailers in western Europe; initial focus in the U.K.

Planned Projects
 European AG Study: Extensive study of parts and service aftermarket for agricultural equipment in Spain.
 Mexican Truck Aftermarket Distribution Analysis: In-depth analysis of the distribution channels serving the truck and bus market in Mexico.
 Mexican AG Aftermarket Study: Extensive study of parts and service aftermarket for agricultural equipment in Mexico.
 Brazilian AG Study: Extensive study of parts and service aftermarket for agricultural equipment in Brazil.



We've Been Talking — and Talking!

It's not that we don't get a chance to talk around our office every day; we do. But when we get a chance to talk to industry and association groups, we really look forward to the experience. Some of the opportunities we've had in the past few months are profiled below:

- MEMA's Heavy Duty Business Forum in May
- AED's Annual Executive Conference in September
- International Truck Parts Association Annual Convention in September
- Automotive Market Research Council's bi-annual conference in October
- Service Specialists 20th Anniversary Convention in October
- Illinois Equipment Distributors Meeting in November
- Equipment Manufacturers Institute's Annual Parts & Service Conference in November
- Morgan Stanley's Truck Market Webcast in November

If you'd be interested in the details from any of these presentations, please don't hesitate to contact us.

Coming Attractions

January 2002

On-site DataMac Workshops begin!

February 2002

DataMac Truck Report – Replacement Demand

Bears win Super Bowl!

March 2002

Mid-America Truck Show Con-Expo
Rudolph Diesel's Birthday (3/18)

April 2002

DataMac AG Distribution Report

DataMac Tire Distribution Report

August 2002

DataMac Truck Report

September 2002

DataMac Tire Report

October 2002

DataMac CE Report

January 2003

DataMac Workshop in OakBrook, IL

DataMac - N/U?

That's right, it isn't a typo. One of the new programs we're working on is DataMac N/U, which stands for DataMac New/Used. What does that mean?

It means that for the first time, subscribers to our DataMac services will be able to identify how demand for their aftermarket products splits between purchasers of new equipment and those who purchase used hardware. It will permit parts marketers to focus specific products and programs on those target prospects that represent the most potential. And it will define the unit and dollar value of the markets that each of these prospects represent – by vocation of use.

Our first program will be in the truck aftermarket, with equipment markets to follow thereafter. Interested in learning more about the program? Just give Dave Fulghum or Don Kuntz a call; they'll be glad to tell you more about it.

Meet a MacKay & Company employee



Dean Estrada graduated from the University of

Illinois at Urbana-Champaign in August 1998 and began at MacKay & Company as a research analyst in the Fall of 1998. He currently manages the Research Department. Dean is also responsible for writing the Used Truck Monthly Market Monitor. He is an avid Bears fan (even in the nonwinning seasons!) and is rather



creative with his Halloween costumes. MacKay & Company has an annual gathering on Halloween and Dean always comes up with great costumes!

Mackay: A Clan Long Before A Company



Although MacKay & Company has been around for over 33 years, Clan MacKay predates by several centuries. Home to the Clan for this time has

been the furthest Northwest corner of the Highlands in Scotland. It is today a quaint spread of small villages and few people; sheep and rocks seem to be the two predominant features!

Many Highlanders lived on the land that was owned not by them but often by

wealthy Lowlanders. The Highlanders were granted occupancy rights to this land, as it was perceived to be of limited fertility and value. It was not uncommon for several Highlander families to attempt to farm one small plot, living in “black houses”, often with animals at one end and the family at the other.

In the early 19th century demand for wool grew dramatically. Once it was determined that black-faced Cheviot sheep could endure the bitter Highland winters, the squatters were forcibly removed and sheep emplaced. These “highland Clearances” forced most Highlanders, including the MacKays, to emigrate, most to Canada, the United States and other British Empire colonies around the world. The ancestors of this MacKay & Company enterprise emigrated to southwestern Ontario, thence to New York State.

The MacKay Clan modern tartan is primarily green and black, similar in design to Black Watch; the ancient tartan is a softer green with blues and blacks. The Clan motto is “Manu Forti”, strong hand. The motto works well in battle, but lacks subtlety in negotiations with clients!

MacKay & Company
1 Imperial Place Suite 300
Lombard, IL 60148

ADDRESS SERVICE REQUESTED