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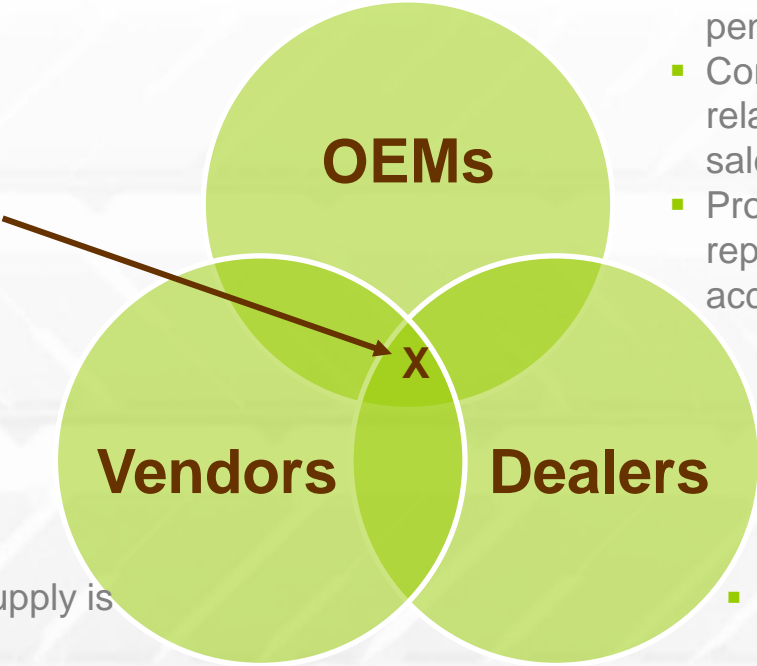


Collaboration

- Dealer Tire Business Model
- Complexity
- Collaboration Opportunities
- Supply Chain Approach



Dealer Tire Creates Value For The Common Interests Of OEMs, Dealers & Vendors



- Tire manufacturing and supply is global and complex
- SKU proliferation is increasing
- Complex supply chain between vendors and consumer

- High customer acquisition costs – small number of customers, difficult to penetrate
- Core competencies are not dealer relations, dealer management or retail sales
- Profit opportunity with broad portfolio of replacement and repair parts, accessories, etc.

- High customer acquisition costs – fragmented customer base, high turnover in key positions
- Driven by personal and business needs of individual owners
- Need to increase consumer loyalty
- Often highly cost and price driven

Tires – EASY RIGHT??

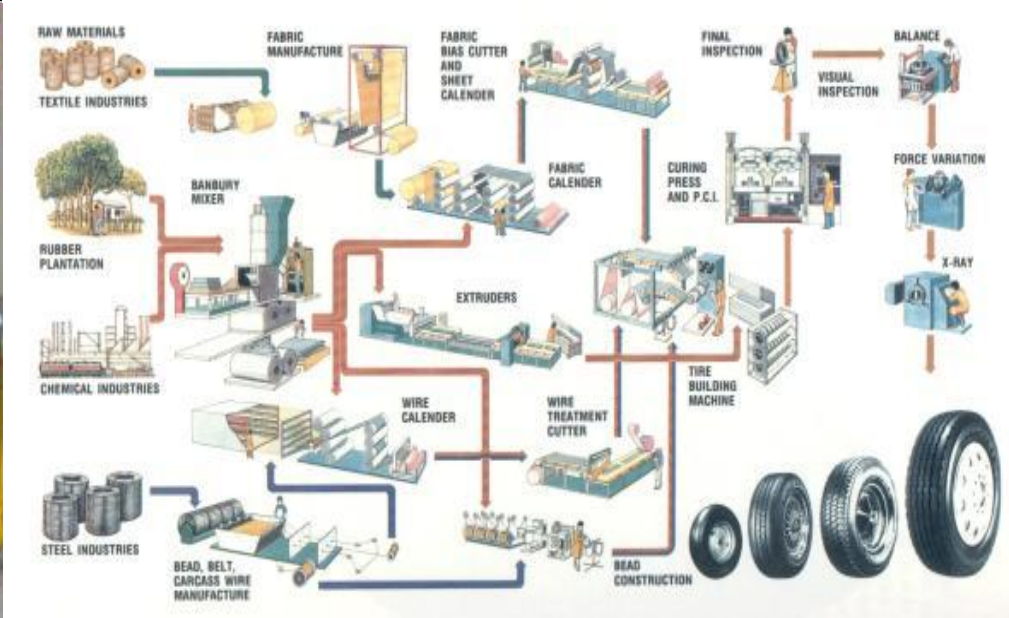


- Round
- Black
- Simple

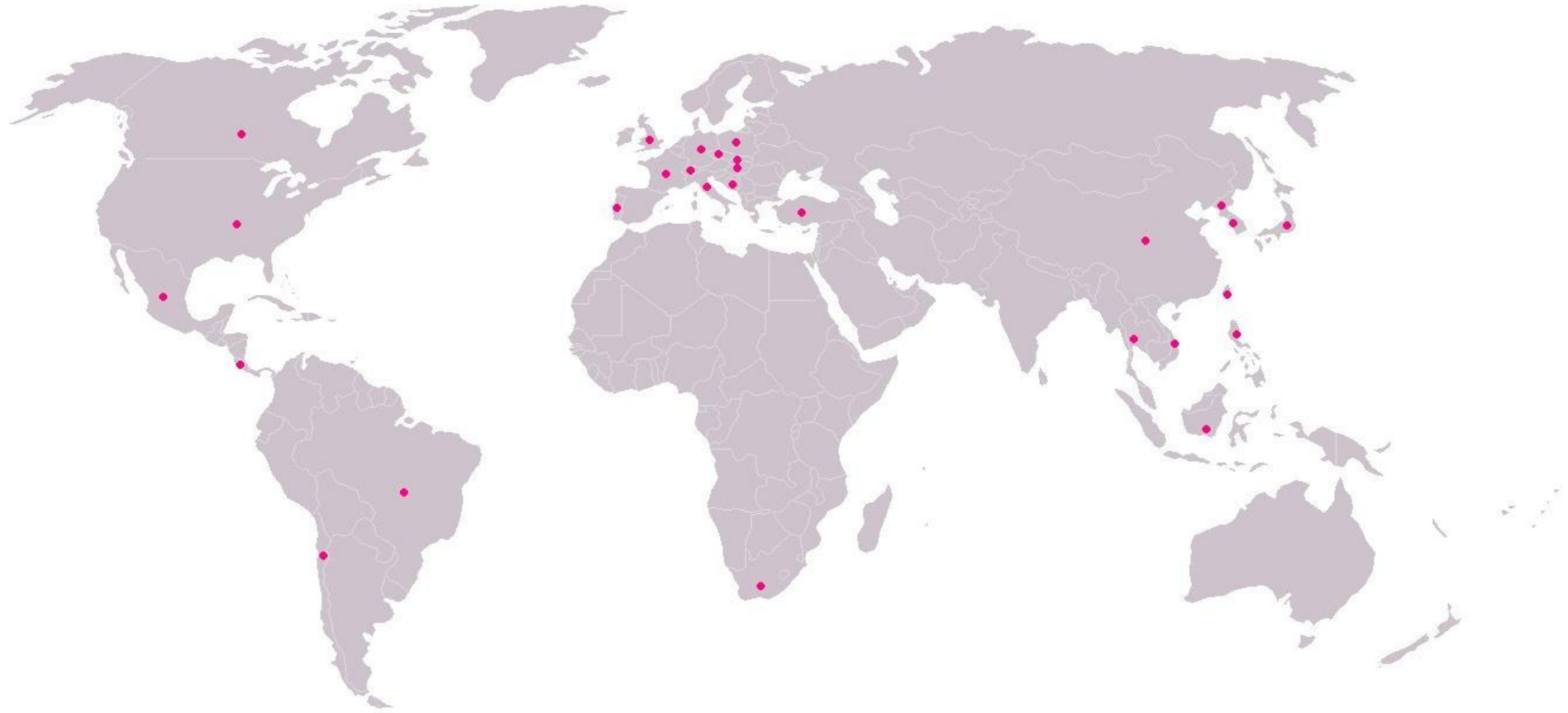
WRONG

Complexity

- Tire manufacturing process complicated
- Vehicles produced and shipped globally
- Tires produced and shipped globally
- Tire proliferation
 - Directional tires
 - Staggered Fitments
 - Run flats
- Global Engineering and Purchasing involved
 - Single Source
 - Multiple Source



Tire Production Across the Globe



*Each dot represents multiple facilities

Dealer Tire Value Chain

Consumers

Car Dealers

OEMs

Tire Manufacturers



Units in Operation

Inventory Levels,
Sell Out

Vehicles Sold,
Repair Orders

Forecast, Inventory,
Production

Thank You

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Dealer Tire**

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