



Direct Store Delivery / Time-Sensitive / Handling Sensitive / Over-Night / Unattended

Customer Profile: NAPA, Genuine Parts Company



Voice of the Customer:
“Lily’s commitment and ability to satisfy our daily driver and vehicle needs 100% of the time is second to none.”

Steve Tee,
NAPA Genuine Parts Company

Start Date

- 1988 the first contract awarded to Lily by NAPA for the New Jersey Distribution Center
- 1996 the second contract awarded to Lily by NAPA for the Albany, NY Distribution Center
- 1998 the third contract awarded to Lily by NAPA for the Massachusetts Distribution Center

Cumulatively Lily is responsible for deliveries throughout New England, New Jersey and New York. There are over 2600 Unattended deliveries per week, all of which are made at night (10pm to 7am) giving NAPA one of the fastest order-to-delivery cycle time’s in the auto parts distribution business.

Why Lily?

Lily was chosen because of Lily’s proven ability to operate a multi-stop, overnight and unattended delivery distribution system and because of Lily’s commitment to Continuous Improvement. Lily provides a customized and extensive reporting database that allows for reporting on all aspects of the operation featuring customer focused Key Performance Indicators (KPI) and the Lily Plan, Do, Check, Act (PDCA) Process. In addition Lily’s

ability to hire, train and maintain dedicated driver workforce’s responsible to not only make unattended night-time deliveries but to also scan each part delivered have been key benefits to NAPA Distribution Centers. Customer order to delivery cycle time has been reduced to just 10 hours from the previous 24 hours due to this unattended-overnight system.

System Architecture: 24x7

- On Site Lily Management: 1 Lily employee dedicated to each NAPA Distribution Center
- Dedicated Drivers: 26 Full Time and 4 Part Time Lily employees
- Dedicated Core Trucks: 26 Air-Ride Trucks with 26’ bodies and 5000 lbs. lift-gates
- Flex Fleet: 4 Part Time Lily drivers and 4 Specialized Trucks

Lily Management Responsibilities

- Drivers and Productivity
- Equipment Utilization
- Store Delivery Service level
- Back-haul pickup

Continuously Improving Supply chain Efficiency and Integrity



Standardized Continuous Improvement process utilized since 1987

Our Process Delivers Performance

PDCA

results in seamless implementation - transition systems results in continuous improvement (lower cost)

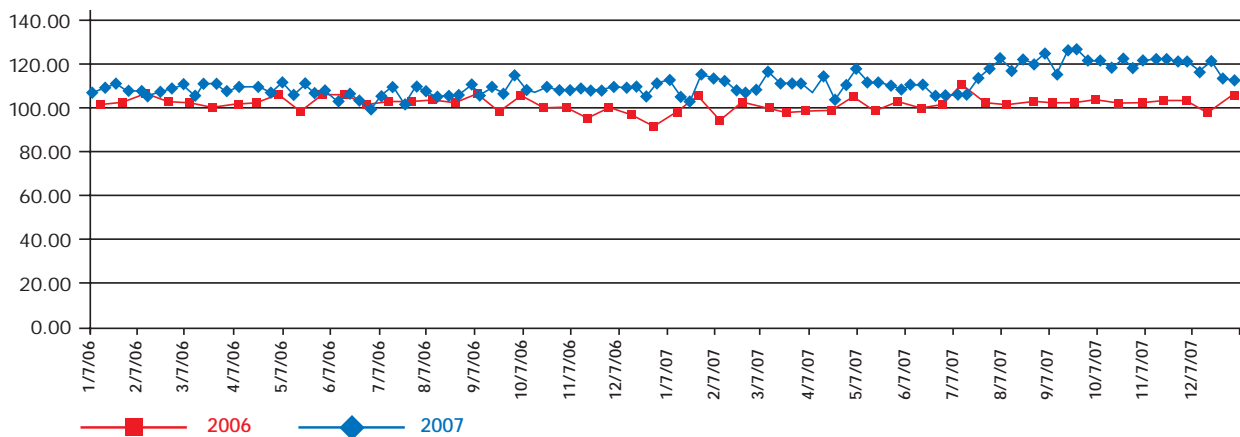
Key Performance Indicators

to continuously track & analyze cost and service levels provides "readily-available" data for ongoing PDCA process

Continuous Improvement Methodology

results in seamless transitions from private fleet, or other carriers, to Lily

MSF - Manufactured Square Foot per Load (Sample)



Performance Measurement System

An effective performance measurement system is the early warning system for problems. Lily's computer based performance measurement system provides reports that monitor our performance quality and supports the decision making process that is found in driving out cost and waste. Lily tracks the following performance measurements and can tailor any measurements to your specific operation:

- On-time versus standard
- Delay time at customers, over standard
- Number of empty miles
- Miles per gallon
- Miles per truck
- Driver productivity
- Delivery overage, shortage, and damage
- Number of drivers per vehicle
- Cost per unit
- Cost per delivery

Delay Costs (Sample)

