



NAPA

“RYDER PROVIDES US WITH A COMPLETE AND RELIABLE TRANSPORTATION SYSTEM THAT INCLUDES VEHICLES, MAINTENANCE, INSURANCE AND FUELLING, AND IS BACKED BY 70 YEARS OF INDUSTRY KNOWLEDGE AND LEADERSHIP.”

Chuck Geldhart, NAPA

INDUSTRY

- AUTO PARTS

COMPANY

- NAPA

CHALLENGES

- REDUCE COSTS
- REDUCE ADMINISTRATION WORK BURDENS
- RESPONSIVE, RELIABLE DELIVERY SYSTEM

SOLUTIONS

- RYDER FULL SERVICE LEASE INCLUDING MAINTENANCE
- UNATTENDED NIGHT TIME DELIVERIES
- SCHEDULED DELIVERY ROUTES

RESULTS

- REDUCED COSTS
- INCREASED SERVICE RELIABILITY
- SIGNIFICANT REDUCTION IN MANAGEMENT HEADACHES

Ever since automobiles started appearing on roads a little over a century ago, the need for qualified mechanics and the parts to keep the vehicles running has increased. As vehicles became more sophisticated, repairs shops found it increasingly difficult to keep up with all the new technological improvements. Gradually, auto repairs shops evolved into specialised service providers, concentrating on repairing either specific parts on all types of vehicles or all parts on only select vehicles. As the service outlets changed to meet the needs of their customers, the wholesale parts suppliers also made changes to their product lines to reflect the new business models.

In Canada, the company now known as NAPA established business 75 years ago, when Charles-Emile Prefontaine opened a parts store in Montreal to supply the few auto repair service centers that existed. The early automobiles often broke down and replacements parts were difficult to get without a distribution and service network. Fast forward 75 years to today and NAPA

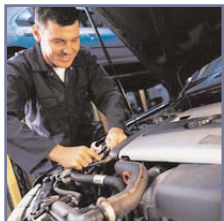




NAPA



**RYDER HELPS NAPA
FOCUS ON CORE OPERATIONS.**



provides replacements parts and accessories for all makes of vehicles and light trucks to repair and service shops. NAPA also has its own tools line (Ultrapro and Ultracraft) and provides collision repair centers with automotive paints and bodyshop supplies. Meeting customer service needs is always a top priority for NAPA — in order to retain existing accounts and attract new customers. Thus, the ability for NAPA to consistently ship and deliver parts, without delay, is critical to their business success. For example, the NAPA-Atlantic Division, based in Moncton, New Brunswick, serves 84 stores in four provinces with daily deliveries five days a week in New Brunswick, Nova Scotia and P.E.I. and twice weekly, 52 weeks a year, to Newfoundland.

Originally, deliveries were made to the stores using common carriers and delivery service providers. However, this proved to be expensive and time-consuming due to the volumes of paperwork and management follow-up time needed to track the shipments and then provide payment to numerous carriers. So, in 1989, the Vice-President for the Atlantic Region, Norm Cormier, and NAPA warehouse manager Chuck Geldart, decided to review their current operations and look at cost-cutting options and also provide a more efficient distribution system. After considering all options, they determined that a Ryder Full-Service Lease, using heavy-duty tandem axle straight trucks, would bring significant efficiencies. In addition, the implementation of unattended evening NAPA store deliveries facilitated better vehicle and driver utilization and improved the service levels to the stores and in turn to the repair and service centers. The program started with Moncton leasing three Ryder trucks, but subsequently reducing to two upgraded

Freightliner straight trucks with long-life heavy duty engines. These handle regular overnight deliveries at each participating store. The contract has been renewed regularly since inception, confirming the system works well within the prescribed delivery zone. The few stores located outside this radius are supplied through external delivery services, as needed, during regular business hours.

The NAPA-Atlantic Region is very pleased with this outsourcing option, which has helped reduce their capital expenditures. Ryder's lease pricing compared favourably to other providers and Ryder's maintenance service quality supports maximum vehicle uptime — a critical element in meeting the NAPA business objectives. Another key benefit has been to provide more time for NAPA management to focus on its core competencies of providing quality parts for vehicles and light trucks. According to Chuck Geldart, "Ryder provides us with a complete and reliable transportation system that includes vehicles, maintenance, insurance and fuelling and is backed by years of industry knowledge and leadership".

