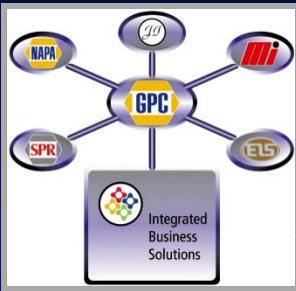




Integrated Business Solutions





INTRODUCTIONS

Marty Smith

Mountain Division Sales Manager – Denver

Brian Ross

New Distribution Manager – NAPA Billings



WYOMING



Flexible Innovation

How did NAPA/Genuine Parts Company get started with this concept over 18 years ago?

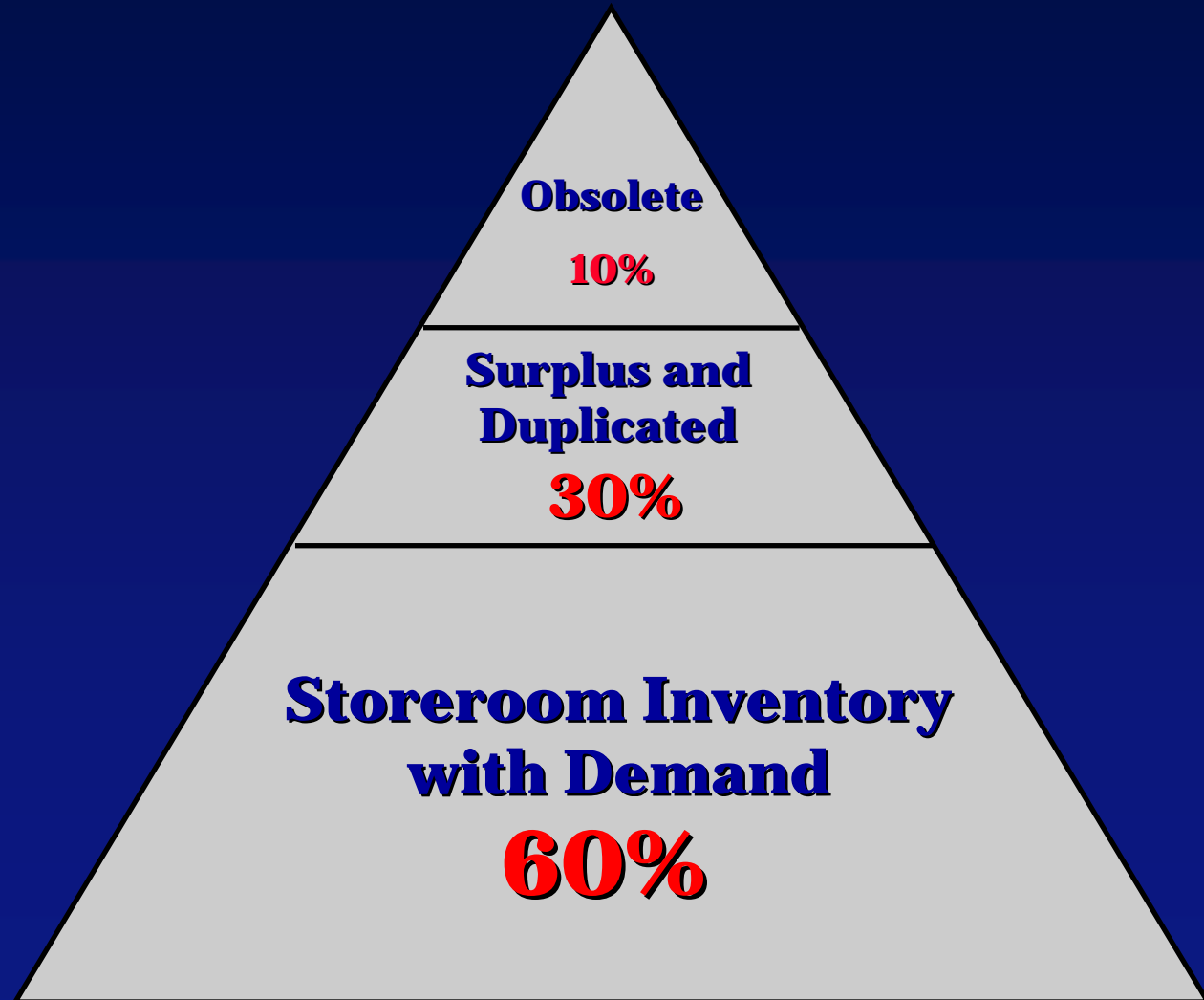
Our customers came to us and asked what we could do to help them to...

- a) Manage their inventory**
- b) Reduce overall transaction costs/budget**
- c) Improve productivity**



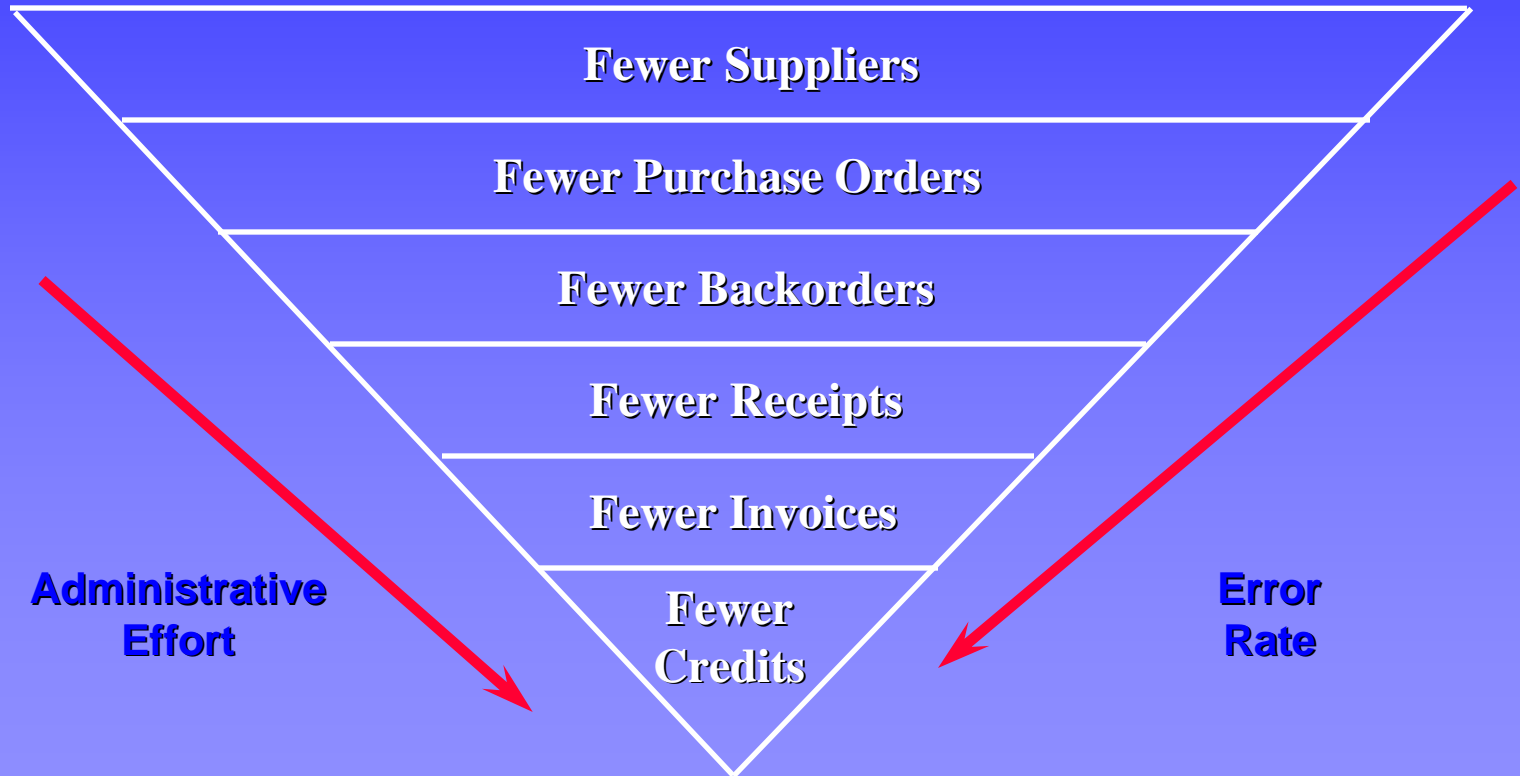


Probable Inventory Before Reduction Process





Customer-BENEFITS OF IBS



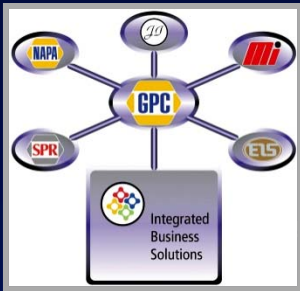
Transaction Cost Reduction



ON-SITE PARTNERS

- **Over 200 Operations Nationwide**
 - **County of SLO, California (2 years)**
 - **County of Salt Lake City (1 Year)**
 - **County of Alameda (1 year)**
 - **City of Inglewood, CA (4 Years)**
 - **County of San Diego, CA (7 years)**
 - **City of Glendale, AZ (2 years)**
 - **Adams County, CO (8 years)**
 - **City of Chicago, IL (5 years)**
 - **No two Integrated Stores are alike...**
 - **Single locations to multiple locations**
 - **We manage inventories from \$11K to \$11 million**
 - **...and fleets from 80 to 8,000!**
 - **The program is flexible...We start with a blank page**





THE NAPA IBS PROGRAM

- **We set up and operate a full-service “store” on-site at your facility**
 - **Customized for Your DOT**
 - **We supply a “Total Turnkey Operation” to you**
 - **Your DOT is our only customer at this store**
- **We own the parts**
 - **We cut a check to the DOT on the current agreed-upon inventory dollars currently in stock**
 - **\$0 tied-up in inventory – all inventory \$\$ is our responsibility and investment**
 - **This can save you thousands of dollars annually in obsolescence, duplication, warranty and shrinkage**
 - **Nothing is paid for until it is USED!**

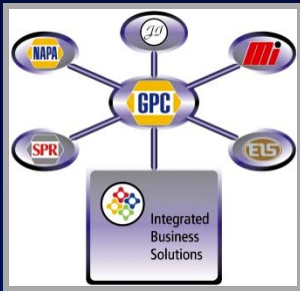




THE NAPA IBS PROGRAM

- **We also provide many tailored services**
 - **On the automotive side: custom paint-mixing on-site, custom hydraulic hoses made on-site, recycling of batteries, lubricants, anti-freeze and tires.**
 - **Cores and warranty tracking**
 - **We can also subcontract your commercial work for you (labor and parts) including scheduling and expediting to reduce workload and streamline operations**
- **Computerized inventory control**
 - **Daily tracking to monitor stocking levels and inventory effectiveness**
 - **Detailed monthly billing and tracking of inventory and systems to track the cost centers in the operations we service**





THE NAPA IBS PROGRAM

- **Training**
 - **Specifically for your fleet department**
 - **NAPA offers many professional training courses that can be customized for your technicians and supervisors**
- **One parts bill every month**
 - **Hundred of vendors....one bill**
 - **One bill...one check**





Customer-BENEFITS OF IBS

- **Reduced Inventory**
 - **Your investment is \$0. You pay for it when you use it.**
- **No Obsolescence**
 - **We'll work with you to eliminate your current obsolete inventory**
- **No Inventory Shrinkage**
 - **The on-site store inventory is ours**
- **Reduced Accounts Payable**
 - **We reduce 100's of vendors to one! One bill monthly.**
- **Reduces Personnel Issues**
 - **The employees in the store are ours**
- **Productivity Improvement**
 - **No time spent managing/sourcing means less downtime**
- **Transaction Expense Reduction**
 - **NAPA/GPC builds the store around reducing your cost**
 - **Inventory, Vendors, P.O.'s Processing Paper and Cutting Checks**





Flexible Innovation

The NAPA Program is designed to fit such a large variety of businesses because we start with what Your DOT needs and delivers what Your DOT wants.

We significantly reduce cost of managing/maintaining ALL inventory - while still making sure that we provide the inventory, services and resources for each departments individual needs.





PROGRAM MECHANICS

How do we charge for the service?

- **NAPA Core Inventory**
 - **NAPA Jobber Net + 10% Gross Profit**
- **Non-NAPA Vendors**
 - **Negotiate Individually**
 - **Flex National Buying Power**
 - **Lowest Landed Cost + 10% Gross Profit**
- **Achieve 10% Net Profit**
 - **Your DOT Gets P&L**





Flexible Negotiations

- Program allows customer to designate use of outsourcing
- **We seek a multiple year contract with several annual options**
- Our agreement contains a 90 day cancellation clause for either party
- **Fill Rates can be part of contract guarantee if customer wishes**
- Bar-coding / computer integration are both available

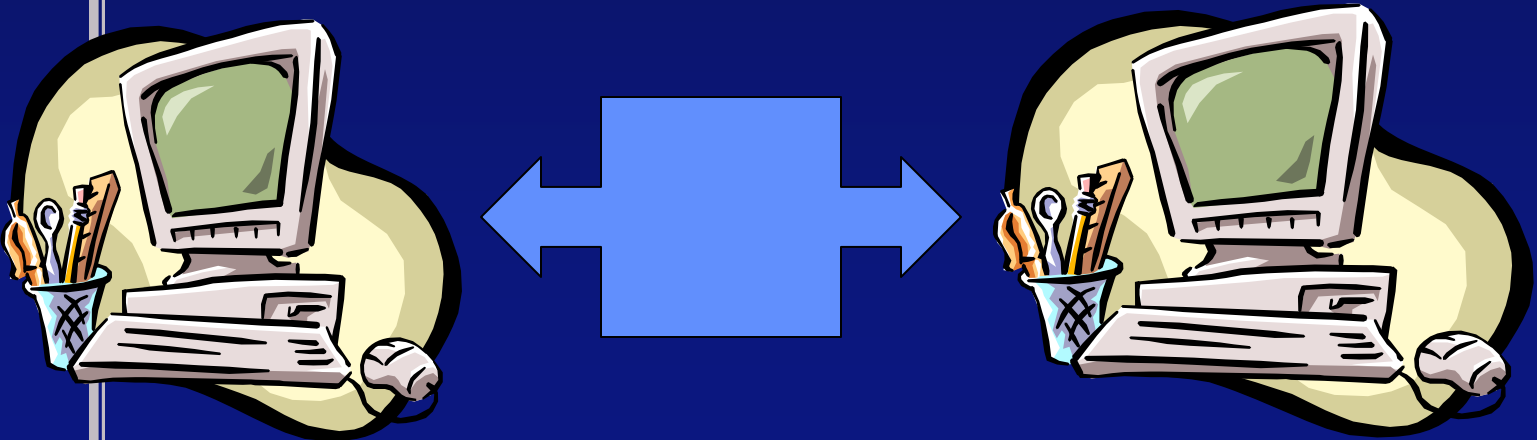


WYOMING



Systems Integration

- **“Middleware” System**
 - **Allows flow of information between TAMS & IBS Customer’s Operating System**
 - **Now integrated with Maximus M4 and FA, CCG/Faster, CFA, Dossier, MAXIMO, Quadrem, Sungard THE, STIMS and NAPA TRACS**





Customer-BENEFITS OF IBS

- **Transaction Expense Reduction**
- **Reduced Inventory**
- **No Obsolescence**
- **No Inventory Shrinkage**
- **Reduced A/P's**
- **Reduces Personnel Issues**
- **Productivity Improvement**

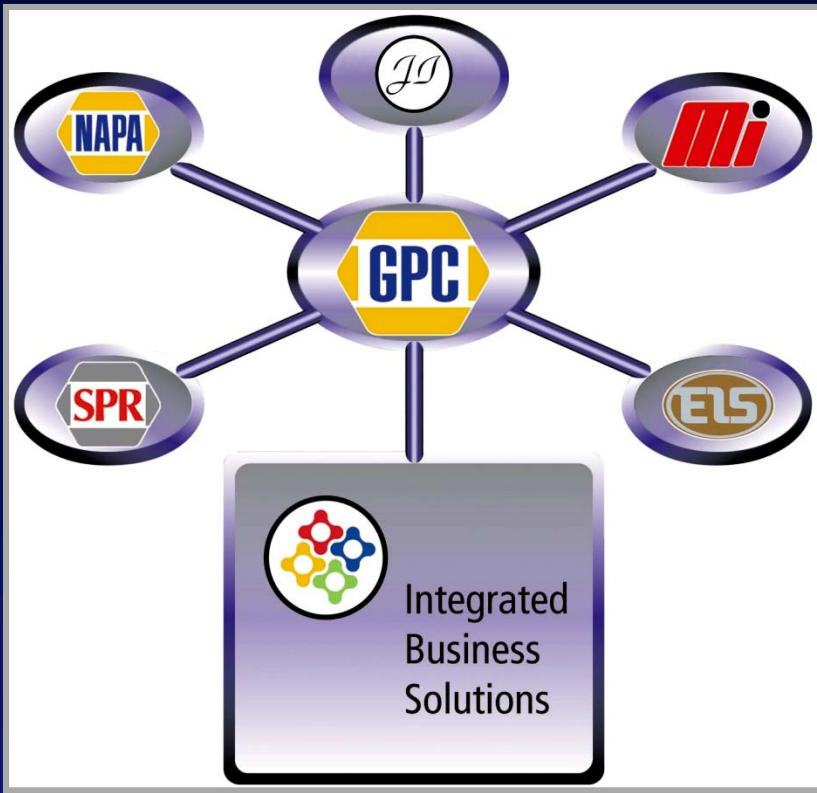




THE NAPA IBS PROGRAM

QUESTIONS?





Western States Highway Equipment Managers Association
2009



WYOMING