



DSD / Retail / Grocery / Time-Sensitive / Perishable / Refrigerated-Dry Van / Peak-Demand

Customer Profile: Whole Foods Market



Voice of the Customer: *"I wanted to thank you and make you aware that the entire Lily team provided Whole Foods with outstanding service during our busiest time of the year. It is really a credit to your people that made this happen. Whole Foods broke records in product movement through the Cheshire DC each progressive day this week. We service 34 stores from Maine to NJ that get multiple deliveries around the clock. The additional equipment and drivers to satisfy a spike in volume of 50% in a 2 week period ... that arose and keep our service levels high."* – Rick Ballard, Associate Facility Team Leader Whole Foods Market North Atlantic

February 2005

Whole Foods Market entered into a Dedicated Logistics Agreement with Lily to most efficiently manage and operate Whole Foods' North Atlantic Direct Store Delivery operations as well as all potential inbound traffic. Whole Foods North Atlantic region stores are located throughout New England, New Jersey and New York. There are over 380 deliveries per week.

Why Lily?

Lily was chosen because of Lily's commitment to Continuous Improvement through its 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 CoreFleet and FlexFleet Methodologies were needed due to Whole Foods' additional (50% increase) delivery volume demands during their critical Thanksgiving to Christmas peak period.

Whole Foods and Lily's commitment to the Lily Platform for Continuous Improvement has resulted in 99.8% On Time store deliveries and reduced Cost per Unit Delivered.

System Architecture: 24x7

On Site Lily Management: 5 Lily employees dedicated to Whole Foods

Drivers: 40 Full Time and 12 Part Time Lily employees

Core Tractors: 25 equipped with GPS technology

Core Trailers: 60 Refrigerated and Dry Van

Flex Fleeting: Additional Lily drivers and equipment to handle seasonal spikes in volume

Lily Management Responsibilities

Drivers and Productivity

Loading and Cubing Efficiency

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)

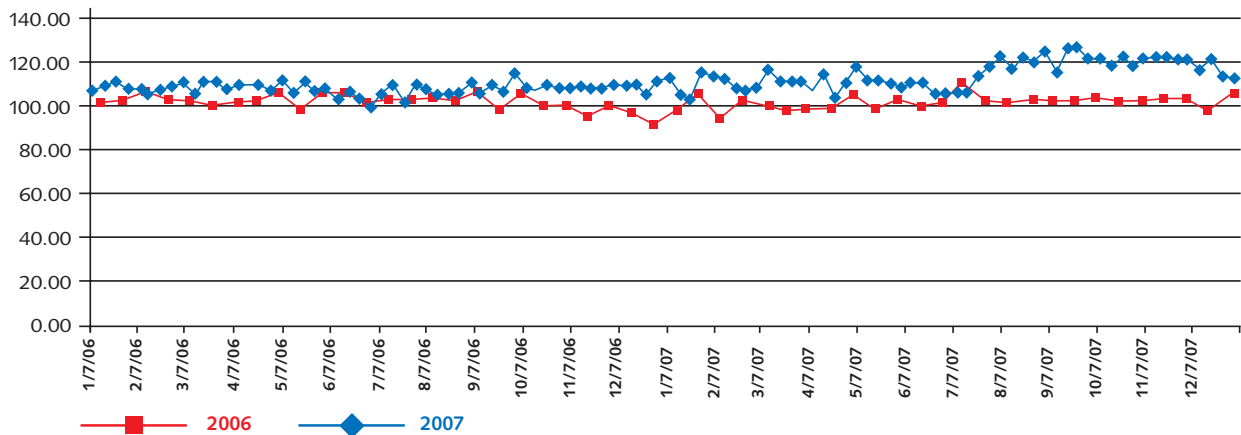
Key Performance Indicators

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)

