



Time-Sensitive / Tractor Trailer / Back-Haul / Load Planning / Highly Efficient

Customer Profile: Acme Corrugated Box, Hatboro, PA



Voice of the Customer:
"Lily Transportation's modern logistical capabilities have saved our company 25% in the real cost of transportation over the last two years"

Bob Cohen, President and Owner,
ACME Corrugated Box Company

Start Date: May, 2003

Acme, a leading manufacturer of corrugated packaging serving the Pennsylvania, New Jersey and New York market has prospered by providing what customers want, in the quantity they need when they want it. A quality leader in the highly competitive corrugated box business, Acme needed extremely efficient distribution in order to compete. Lily was hired to manage and operate a dedicated fleet to provide 99.9% On-Time service at the most efficient cost per manufactured square foot. Lily has succeeded in meeting those performance goals and has assisted Acme in also refining it's overall management process through the use of Key Performance Indicators.

Why Lily?

Lily was chosen because of Lily's proven ability to operate a dedicated, service focused private fleet while continuously improving the delivered cost per manufactured square foot. In addition, Lily's commitment to Continuous Improvement has garnered a 45% decrease in the Cost per Manufactured Square Foot since the start of the relationship. One of the reasons for this success

has been Lily's management process based on 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. What is tracked gets focus and results in improvement.

System Architecture: 24x7

- On Site Lily Management:
1 Lily employee dedicated to Acme
- Dedicated Drivers:
16 Full Time Lily employees
- Dedicated Core Tractors:
14 equipped with GPS technology

Lily Management Responsibilities:

- Drivers and Productivity
- Cube management and direction
- Equipment Utilization
- Customer Delivery Service level
- Back-haul pickup

Continuously Improving Supply chain Efficiency and Integrity since 1958



Standardized Continuous Improvement process utilized since 1987

Our Process Delivers Performance

PDCA

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

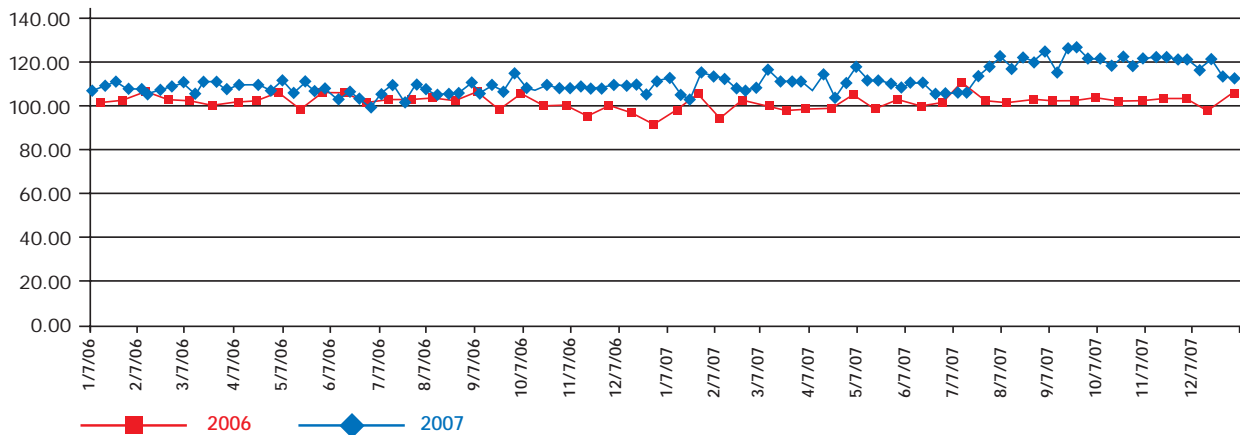
Key Performance Indicators

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)

