

**O'Reilly**  
AUTO PARTS

**Parts City**  
AUTO PARTS



**Proudly Serving the  
Independent Since 1961**

# THE PARTS CITY DIFFERENCE

**A lot of suppliers want to sell you parts. Not many want to invest in your success, especially the way we do.**

We've taken the tools and resources that helped O'Reilly become a dominant player in the automotive aftermarket and adapted them for your business, so you can harness the power and experience of 70,000 team members.

Here are a few ways we help you be the dominant parts supplier in your market.

## CUSTOMIZED PRICING

We help make sure you're competitive without leaving money on the table. Our dedicated team of experts gather millions of competitive pricing records each day to ensure your business is competitively priced with national chains, as well as traditional wholesale competitors.

As a Parts City affiliate, you'll enjoy insight into industry leading pricing philosophies designed to maximize sales and profitability while maintaining the flexibility to customize your pricing to your individual market.

## INVENTORY CONTROL / OBSOLESCENCE PROTECTION

The right part at the right time - this is what it takes to be successful in today's competitive environment. Our monthly inventory re-classification system and suggested adjustments help tailor your inventory to your market.

Our re-classification guide leverages a unique combination of manufacturer recommendations, RL Polk data, as well as inventory trends identified through the demand history of over 5,000 O'Reilly and Parts City Auto Parts branch locations and most importantly, your store's individual sales history.

As a Parts City affiliate, you have full visibility and control over the adjustments to your inventory to meet the needs of your business.

## STORE DESIGN

Store design and retail merchandising is an art and a science. That's why we test every change on 1,000 stores to ensure profitability before presenting to our independent owners. We use this data to collaborate with you to customize a profitable floor plan for your store and market.

## COUNTERWORKS COMPUTER SYSTEM

The Counterworks point of sale system was designed by a group of member warehouse distributors who use the system every day to operate their own stores. The collaborative efforts of this group have proven invaluable in blending state of the art technology and functionality to create a user friendly platform designed for efficiency, ease of use, and visibility into your business - not a corporate computer system re-purposed for independent stores.



"The Store Design Team setup the front room, but we were pretty involved in that too. Me and Denise (my District Sales Manager), sat down and decided what plan-o-grams we wanted. And that was kinda fun doing that - creating a whole new platform for us."

**Jake Kotila, Cokato Parts City,  
Cokato, Minnesota**



"Having the right inventory and getting rid of the dead stuff is critical to your cash flow.

If you don't do it, there you sit with inventory that's dead or obsolete and should be returned to the warehouse. And by the same token, you don't have the right part on your shelf. You can't have dead inventory setting on the shelf and expect to have the right parts. If you take advantage of the CIC program (Central Inventory Control), you take care of both."

**Tony Keeth, Iberia Auto Supply,  
Iberia, Missouri**

# TOOLS TO GROW

## FULL SERVICE SALES TEAM

Our commitment to provide exceptional customer service and support is reinforced by a professional sales management team dedicated exclusively to meeting the needs of our independent customers.

As dedicated partners in the success of your store, our District Sales Managers are committed to monthly onsite visits with the goal of building your business.

## FLEXIBLE RETURNS PROGRAM

With today's competitive business environment, optimizing your cash flow is critical to the health of your business. Our flexible returns program provides our customers with the ability to send back new, core and warranty returns on a nightly or weekly basis. This expedites store credit and eliminates valuable inventory dollars being tied up for weeks or months at a time.

## STOCK ADJUSTMENT ACCOUNT

In addition to our flexible returns program, each Parts City affiliate is assigned a separate account that absorbs inventory adjustments. This account allows stores to process monthly stock adjustments without affecting the store's available cash flow.

## LOW MONTHLY FEES

We make money on parts sales - not monthly fees. Our program fees are a fraction of our competitors' so you can re-invest those savings into things that help you sell more parts - like inventory, products, services, and personnel - rather than having them locked into excessive recurring monthly fees.

## GETTING STARTED

When you join our program, our Changeover Team inventories and resets your store - and it remains open the whole time. A computer system specialist trains your team the week of the changeover, and your District Sales Manager arrives the next Monday to continue this training.



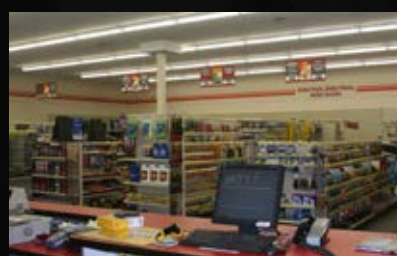
"The Store Design team spends a lot of time and money putting these plan-o-grams together - you know plan-o-grams work, that's why all the O'Reilly stores use them. It's a proven method of marketing. Not all stores have a lot of front room space, but the ones who do have room and use plan-o-grams are really successful."

**Rus McCoy, J.C. Auto Parts  
Monroe City, Missouri**



"Parts City gave us all the tools to grow our business. We have nearly tripled our sales since then. A lot of it was pricing tools and advertising, especially Parts City's help with advertising."

**Rick Carpenter, Carpenter's Auto Parts,  
Tunnel Hill, Georgia**



# DEEP ROOTS WITH INDEPENDENTS



## SINCE 1961 WE'VE BEEN SERVICING INDEPENDENTLY OWNED PARTS STORES.

O'Reilly Auto Parts started as a single-store, family operated parts supply house in 1957. After only five years in business, O'Reilly Auto Parts created Ozark Automotive Distributors as their warehouse division to support their stores, as well as provide parts and service to independently owned stores.

Prior to 2008, many current Parts City Auto Parts stores flew the AutoValue or Bumper to Bumper flag, as part of the Alliance, which Ozark Automotive Distributors participated in. However, recognizing the need for a program designed to modernize traditional jobber stores, we severed our ties with the Alliance in June 2007, and launched the Parts City brand and program.

With over 55 years under our belt, our philosophy hasn't changed. Our dedication to independent stores has never been stronger. We've adapted to your changing needs and continue to offer a robust combination of services and business support, all with your success in mind.

Give us a chance to show you what our independent jobber program can do for your business. We guarantee you'll be impressed!

"It would be hard to replace Parts City. We have a lot of suppliers coming in, but everything you guys do would be hard to duplicate anywhere else."

Mike McElmurry, Alton Auto Parts,  
Alton, Missouri

# DUAL MARKET STRATEGY



Some auto parts chains focus on wholesale customers, while others prefer retail.

O'Reilly gained its market share with a dual market strategy designed to capture as much business as possible in each segment. This mindset allows us to provide you with tried-and-true programs and tactics to do business with a broader range of retail and professional customers.

## FOR THE PROFESSIONAL CUSTOMER

We give you the tools to partner with your professional customers the same way we partner with you. A few examples include a full offering of specialty parts and catalogs, service center programs, Mitchell1 Shop Management software, equipment leasing, Real World Training, and online ordering capabilities.



12 Month/12,000 Miles

## FOR THE RETAIL CUSTOMER

Customer expectations have changed a lot in the last 10 to 20 years. We give you everything you need to exceed these expectations and keep them coming back for more.

From monthly sales kits, branded apparel, and credit card readers, to search engine optimization, online parts lookup, direct mail, monthly sale emails, and Facebook postings, Parts City has the tools you need to capture high margin retail sales in your market.

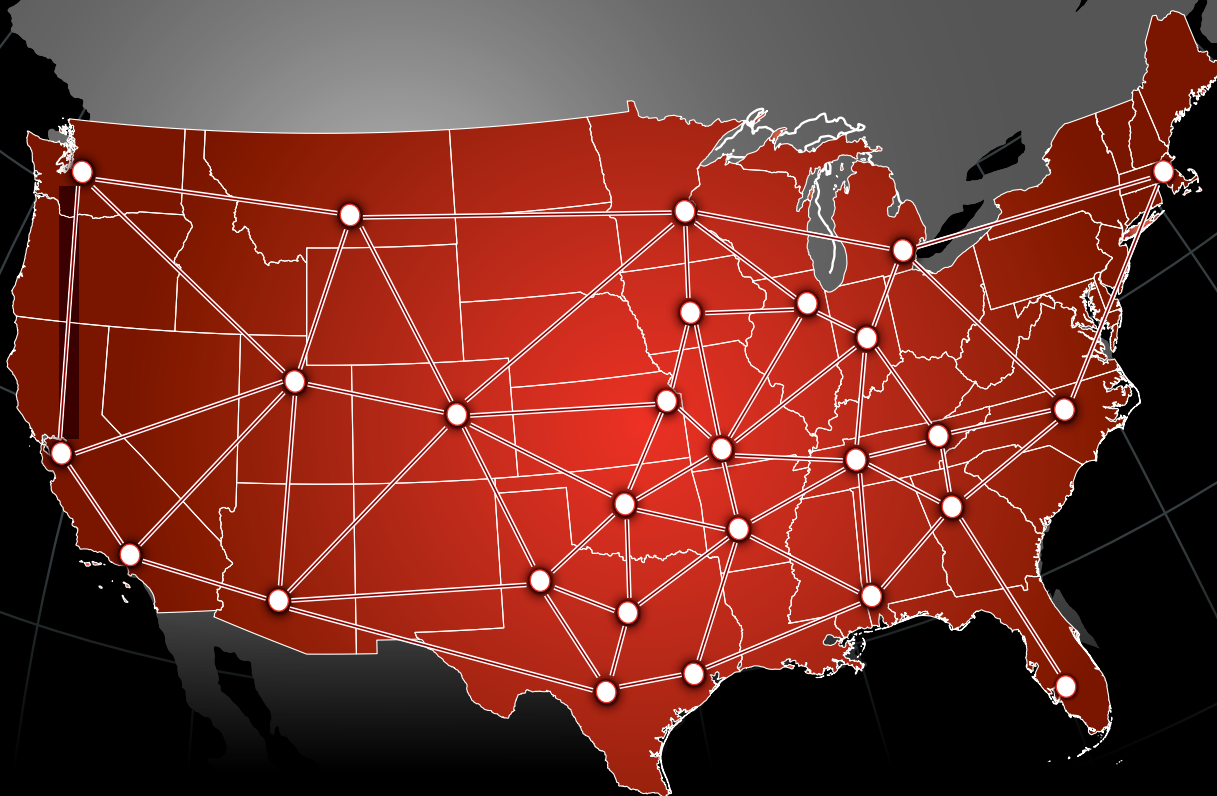


BE FOUND ONLINE WHERE YOUR CUSTOMERS ARE



**SEARCH** FOR THE PARTS YOU NEED  
**FIND PARTS ONLINE NOW**

# OUR DISTRIBUTION



## OUR DISTRIBUTION CENTER SYSTEM

Store operations and programs are crucial for delivering top-notch customer service to your customers - but so is a system for keeping your store stocked. That's why we developed and continue to expand a system of strategically located DC's designed to make sure your customers have access to the parts they need, when they need them.

<b>Distribution Centers</b>	<b>27</b>
<b>Stores Served</b>	<b>5,000 plus</b>
<b>Operational Space</b>	<b>10.8 million sq ft</b>
<b>Concrete Sq Ft</b>	<b>8.0 million sq ft</b>
<b>Number of Items Shipped in 2017</b>	<b>509,245,945 pieces</b>
<b>Team Members</b>	<b>7,783</b>
<b>DOT Route Drivers</b>	<b>682</b>
<b>DC Leadership Team</b>	<b>730</b>

<b>DOT Fleet</b>	<b>652 tractors</b>
<b>Annual Miles Driven</b>	<b>46,000,000 miles</b>

<b>ORDER ACCURACY</b>	
<b>Special Orders Accuracy</b>	<b>99.96%</b>
<b>Stock Order Accuracy</b>	<b>99.03%</b>
<b>Fill Rate</b>	<b>96%</b>



# PROGRAMS OVERVIEW

## PROTECT YOUR INVESTMENT AND GROW YOUR BUSINESS

- Customized Pricing
- Inventory Control / Obsolescence
- CounterWorks Computer System
- Monthly District Sales Manager Visits
- Flexible Return Schedule
- Stock Adjustment Account
- Statement and A/R Program
- Insurance and Benefits Program
- Contests and Spiff Promotions
- Rebate Fund
- Access to PartsCityNet.com - Exclusively for Parts City Stores
- Access to Hundred of Millions of Dollars of DC Inventory
- National and Quality Private Label Brands
- Nightly Deliveries
- Access to Nearby O'Reilly Store Inventory

## FOR THE PROFESSIONAL

- Service Center Programs ( C.A.R., Worry Free, and Auto Dealership Program )
- Mitchell1
- Real World Training
- Professional Promotions
- Professional Customer Rebate
- Lease Program
- Professional Sales Flyers
- Wix Master Installer
- Special Markets Catalogs and Flyers

## FOR WALK-IN CUSTOMERS

- Monthly Retail Sales
- Retail Website with Parts Lookup and 'Pick Up in Store' capabilities
- Search Engine Optimization
- Regional Pricing
- Store Design and Plan-o-grams
- Low Price Guarantee
- Flyer and New Mover Mailings
- Message On Hold Phone System
- Facebook Advertising

"My salesman and the Acquisition Team made it really nice. They came in, took over, and setup the store. It's an excellent bunch of men and women. When they come in, they know what to do, they do it, and they have a great attitude. It's neat to watch them work."

**Jeff King, Crab Orchard Auto Parts, Crab Orchard, Kentucky**



"There's some things we don't like, and we try to buck it, but if you follow what they send you, and you do what they say, it works. You just have to open up your eyes. Sometimes the new way is better than the old way."

**Mike Stenerson, Bill's Parts City, Hardin, Montana**



"We do all the programs because they're all designed to reach a different kind of customer - DIY'ers, installers, industrial, farmers, truckers.... all that kind of stuff. They all reach a different part of the business."

**Donald Adams, Cumberland Auto Parts, Crossville, Tennessee**

**To learn more about partnering with Parts City Auto Parts, Call 417-873-2072**