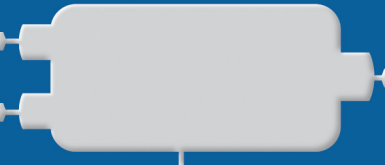
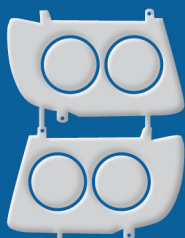


THE



GOOD PARTS



When international automotive recycler LKQ selected Ruan DCC, it found a fellow innovator and like-minded partner.

In a struggling economy, people tend to vacation less, dine at home more and repair their current vehicles rather than commit their finances to new models. Household cutbacks like these can strike fear in many businesses, but for Ruan Dedicated Contract Carriage (DCC) customer LKQ Corporation (a \$4 billion company headquartered in Chicago), the current economic climate couldn't be more encouraging; sales have increased approximately 10 percent annually since 2008.

The reason for this success? LKQ is the nation's largest and most strategic provider of recycled and refurbished automotive parts including wheels, bumper covers and lights, collision and mechanical replacement parts and remanufactured engines. The company currently operates nearly 450 locations in the U.K., U.S. and Canada offering both mechanics and do-it-yourselfers parts for 20 to 50 percent below the cost of new OEM equipment, a blessing for many cash-strapped motorists. LKQ also recycles and sells component and replacement parts for light- to heavy-duty trucks and markets new aftermarket parts under its Keystone brand, which is distributed by its subsidiary, Keystone Automotive Industries.

## Ruan DCC

Transporting raw materials and end products is an important part of the process for many companies — like it is for LKQ. Ruan's DCC solution reduces transportation costs by an average of 15 to 20 percent while also increasing a company's reliability, safety and flexibility.

"We work collaboratively with our customers to drive down costs, decrease empty miles and develop an equipment and maintenance strategy to keep the fleet running efficiently," said Ralph Arthur, Ruan's president of Dedicated Contract Carriage. "Ruan works hard every single day to make the transition and start-up process seamless for our clients."

After converting private fleets to Ruan DCC, many companies discover that being in the trucking business in the first place was not the most effective solution. They find they are much better off trusting Ruan DCC to handle those elements on their behalf, allowing them to concentrate their efforts on running their core businesses.

With Ruan providing the fleet and seasoned, professional drivers, companies partnering with Ruan enjoy an elevated level of transportation service. Deliveries are on time, insurance costs are decreased, driver screening and other HR matters are alleviated, and truck maintenance and liability are not distractions. Department of Transportation (DOT) compliance is ensured, and by eliminating the high investment costs associated with buying and maintaining a fleet, companies have extra capital to invest in more profitable areas.

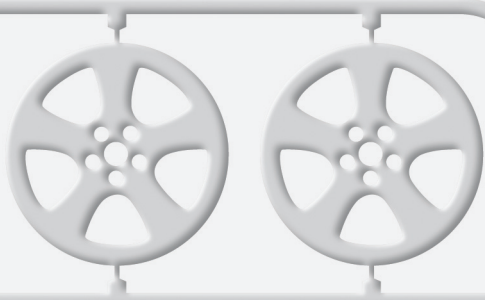
## A Flourishing Partnership

In 2008, after a careful analysis of LKQ's transportation situation in Janesville, WI, and Hustisford, WI, Ruan presented a multi-faceted solution involving DCC that would provide the infrastructure to manage LKQ's transportation needs. The plan would also strengthen the company's aggressive pattern of growth, free LKQ management to focus on core competencies and provide LKQ with an efficient equipment strategy and continuous improvement initiatives related to distribution.

After being awarded the Wisconsin contract, Ruan DCC tractors, trailers and drivers began transporting LKQ cargo at several locations in the Midwest, including Minneapolis, MN, Albert Lea, MN, Plainfield, IN, Davenport, IA, Des Moines, IA, and Winnipeg, Manitoba, Canada. Ruan also began hauling for the York, PA, distribution center.

With Ruan professional drivers behind the wheel, the relationship proved fruitful for both partners, and Ruan's share of LKQ's DCC deliveries have expanded each consecutive year since 2008. Ruan currently drives for 14 of LKQ's locations.

This relationship runs much deeper than a financial agreement, however. "We have incredible relationships with Ruan's terminal managers, drivers and management. In fact, we've come to think of them as our own LKQ team members. They're friendly, have can-do attitudes, and they've really gotten to know our business and care about our success," said Mike Lahr, director of logistics for LKQ. "Ruan personnel represent our brand extremely well on and off the road. They really understand our brand and culture and fit in seamlessly."



“Ruan’s employees are engrained in our system, but they’re not there to protect their share of the business; they’re there sharing their expertise to improve the shipping part of our business, suggesting ways to keep costs low and become more efficient. It’s because of this close partnership that Ruan consistently comes to us with great ideas.”

— Mike Lahr  
Director of Logistics, LKQ

## Like-Minded Companies

Ruan understands LKQ well because the companies share several distinct qualities that place them in high esteem within their respective industries. Both have a long history of self-made success, and both concentrate on their customers’ satisfaction, which is directly influenced by their focus on innovation. They also share a strong interest in expanding their operations and promoting a philanthropic corporate culture that strives to improve lives. They both also happen to be industry leaders.

## Green Pioneers

Both companies also share a strong commitment to the environment. Recycling cars and trucks is a green industry in itself, but LKQ takes extra steps to protect the environment, such as removing all potentially hazardous fluids from salvaged cars and safely recycling them. The company continually explores newer and better ways to recycle, and its successes have allowed LKQ to divert, on average, 82 percent of a used vehicle, by weight, from landfills.

LKQ takes its environmental commitment further by incorporating energy-efficient lighting, heating and cooling throughout its facilities nationwide. LKQ installs two different light settings in offices and incorporates skylights and energy-efficient T5HO lighting in new warehouses.

Ruan’s demonstrated commitment to the environment was a strong factor in LKQ’s decision to partner with the transportation company. Among the many green initiatives Ruan encourages are the use of biodiesel to reduce 86 percent of the emissions released by petroleum diesel, 99 percent reduction in paper use, lighter, more aerodynamic equipment to improve fuel consumption, auxiliary power units (APUs) in trucks to reduce engine idle time and simply reducing highway speeds to save fuel.

## More Than a Vendor

Ruan’s overriding goal since 1932 is to do whatever it takes to meet the demands and challenges of its clients’ businesses. This not only includes driving and deliveries, but also exploring new ways costs can be reduced, safety can be improved and efficiencies can be added. Its close working relationship with DCC clients allows Ruan to understand each company in depth, and to use its team of transportation experts to explore and offer innovative solutions based exclusively on each company’s individual needs.

LKQ and Ruan enjoy this synergistic relationship, and Ruan is invited to take an active role in LKQ’s business, a role that Ruan highly values. “For me, one of the biggest benefits of being with Ruan’s DCC division is being able to get involved with our clients, analyzing their needs and using our resources to introduce ideas that can save them money or time,” Arthur said.

One such recent idea was Ruan’s continuous quality improvement initiative of Key Performance Indicators (KPIs), implemented when the company added the York, PA, distribution center. KPIs consistently track performance results, leading to greater employee awareness of their actions and more attention to efficiency, safety, schedule adherence, security, etc. Ruan also developed quality training programs and sustainable practices to help meet LKQ goals.

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