

been started and old ones have been reinforced.

In 1984 we created the NAPA National Advertising and Marketing Council. This group initiated the Pipeline Program (the NAPA Store Design Program) which is creating a national identity for NAPA and boosting the sales of the stores that are participating. It established the successful National Warranty Program and encouraged D.C. and Division Ad Councils to involve and assist NAPA stores with advertising. Also, under the council's guidance NAPA's import efforts evolved into a calculated program and the AutoCare program was launched.

Additionally, in 1986, NAPA introduced an improved Customized Classification Program. Today we have the most accurate inventory system in the industry.

Currently we are reexamining our market position on every product line. The product management team at NAPA Headquarters is closely monitoring and analyzing all our programs. A good example of this effort is the NAPA Battery Program.

In recent years, we and our two suppliers of batteries had become comfortable with our battery program even though we were experiencing little or no sales growth and we were getting whipped in the marketplace. Finally, after a close examination of the situation, we made the necessary steps to turn things around. In partnership with Exide, we have seen outstanding growth. So far in 1988, battery sales are up over 30%.

In 1984, the NAPA MultiLine Program was established to aid NAPA AUTO PARTS stores in boosting sales of products from several of our important smaller and medium volume lines, such as NAPA Lamps, NAPA Battery Chargers, NAPA Windshield Products and NAPA Tire Hardware. Today we have 89 salespeople representing 22 such lines.

Our list of positive changes in recent years could go on, and our sales improvement has been no accident. But we can't help but worry about the tenuousness of our position. Success carries with it no guarantees; it takes vigilance and effort to stay at the top, especially in our constantly changing industry.

How can we ensure our continued growth? How can we meet our goals and stay at the forefront of our industry? I believe the answer lies in determined and aggressive leadership. It will take leadership effort from everyone throughout the NAPA system—from you, the NAPA AUTO PARTS store owner or manager, from our NAPA Manufacturers, from Distribution Center personnel and from NAPA's Headquarters staff.

We take this opportunity to challenge you to make the decisions necessary for your NAPA AUTO PARTS store to be the leader in your marketplace. Are your stores pipelined? If not, you're missing an opportunity to substantially increase your sales, because the sales increases of pipelined stores are, on average, twice those of nonpipelined stores. And without the pipeline you're not contributing to or taking advantage of NAPA's national identity of quality and reliability.

Are you participating in the AutoCare program? Are you taking advantage of NAPA's training opportunities so your employees can provide customers with the best possible service? Have you signed up for the 1989 Retail Marketing Program which has been designed to boost retail business for your store and for NAPA? Are you getting the most out of the programs and suggestions offered at your Marketing Conference?

Likewise, NAPA's Distribution Center personnel and manufacturer representatives must give the support and service you need to be the best. And they too must be committed to the NAPA system and its programs and goals.

NAPA Headquarters is continuing to monitor the factors that affect your business and the industry. Several big issues that we face today are extended warranties and technology that could force more service work to car dealers; increasing numbers of repair specialists; the strengthening of retailers; growing import registration; and the proliferation of parts. NAPA currently has programs under development or in place to help you combat and even benefit from these "negatives." I believe NAPA is in the best

position to lead the industry in facing these new challenges, but it will take your commitment to these programs to do so.

There are also other opportunities that NAPA is taking advantage of. Our Jobber Sales Assistance Program has added a new dimension to our outside sales effort. And we are in the process of structuring ourselves to be a leader in the heavy duty market—it's a natural for us.

Nineteen eighty-eight is destined to be another good year for NAPA. But how about 1989 and beyond? Is our current success a fluke or do we have the grit, determination, and dedicated people to take our programs to our customers and make them work?

Together in recent years we have all seen our NAPA programs become even more valuable to us in our marketing and management efforts—the results are now clearly telling us this. But these new programs are not simple ones. They are complex and reach into all areas of market opportunity. Our success in the future will hinge not on the programs themselves but on how committed we are to making them work for us. We believe the commitment is there and NAPA will continue to be the *leader* again in 1989 and the future.

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