PICOR McKay NAPA Auto Parts



Company Facts

Overview

- Location: Southcentral Illinois
- Specialist Industry: Automotive and heavy duty/industrial parts
- Number of locations: 23
- Number of employees: 230
- Website: <u>www.mckayauto.net</u>

Success Highlights

Challenges

- Lack of inventory visibility and accuracy
- Increase order fill to ensure customer satisfaction and support growth
- Integrate with NAPA TAMS store platform
- Boost efficiency of DC team members

Solution

Epicor[®] Indago[™] WMS

Benefits

- Increased inventory accuracy and efficiency
- Improved order fill rate/ customer service levels
- Increased employee productivity
- Reduced labor costs

Epicor Indago WMS Brings Real-Time Visibility and Control to Fast-Growing Parts Chain

Nearly all the vital signs for McKay Auto Parts have been positive throughout the impressive 85-plus year history of this fastgrowing chain, which serves some 3,500 automotive, fleet, and industrial accounts across southcentral Illinois.

But with growth comes complexity. Since joining the NAPA Auto Parts network in 2003, the business, owned by company president Earl Flack and five partners, has expanded from 16 to 23 stores and recently built a 65,000-square-foot distribution center to house the approximately 500,000 SKUs needed to service commercial and DIY customers. While the need for a larger DC was itself a sign of success, McKay's executive team quickly recognized the need to also invest in a comprehensive warehouse management solution.

"Our problem was simple—we couldn't find parts," said McKay Chief Operating Officer Scott Mountford. "We were experiencing upwards of 100 'zero picks' a day. Most of those parts were in our warehouse in some location but the problem was getting worse with our growth. We had a feeling we had the stuff but just couldn't find it."

Order-Fill Vital Measure of Customer Satisfaction

Finding, picking, and shipping the right parts on time is key to the growth of any parts distribution business and, more critically, to the success of its customers' businesses. Rather than increase inventory depth as a hedge against lost sales, McKay's management set out to find a WMS that would provide real-time visibility and control of its existing stock. The system also would need to integrate with the NAPA TAMS software, which manages store point-of-sale, back-office and other operations.

That solution was Epicor Indago WMS, already a popular choice of warehouse operators in the automotive and heavy duty aftermarkets, electrical and plumbing supply distribution, and other verticals. The McKay team learned of the solution during a NAPA meeting and quickly arranged to visit a peer organization that had integrated Indago with its own business management software.

"We would highly recommend (Epicor Indago) to other distributors. If we didn't go to it when we did, we would be light years behind our operating capacity today."

Scott Mountford, Chief Operating Officer, McKay NAPA Auto Parts

"We went down to the Carolinas to see how they were using Indago and it convinced us that we needed to take a deeper dive (into the software)," Mountford said.

The Right Combination

Once they had been exposed to Indago in late 2020, the McKay team collaborated with Epicor and NAPA to find out how well the WMS could integrate with the NAPA TAMS solution. "TAMS wasn't built for a warehouse environment—Indago was," Mountford said. "We wanted to be able to use as many of Indago's features as possible, so it was important to make sure both solutions would fully interact with one another."

This discovery and pre-implementation planning were well worth the effort, according to Eric Cline, manager of McKay's DC. "The time you invest upfront really pays off when you go live," he said. "The trackability and accuracy (Indago) has given us have been great."

Calculating ROI

Indago's positive influence on McKay DC operations can be measured in a variety of ways. One key benefit has been the steady decline in "zero picks," from as many as 100 to just 10 or 20 per day in a fast-paced environment where up to 4,000 lines are picked and shipped over a 24-hour period.

Another important metric is productivity—by day, week or month; by employee; and even by the type of part being picked—all of which are easily trackable using Indago. Mountford estimates the WMS will enable McKay to reduce labor expense by 10 to 15%.

"We would highly recommend (Indago) to other distributors," he said. "If we didn't go to it when we did, we would be light years behind our operating capacity today."

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