

The LockerMate Report Card

At
Donnelly,
We Get
LockerMate
to School
On Time



LockerMate Turns to Donnelly After Previous Vendors Post Bad Grades in Quality of Service

From Injection Molding to Sourcing Parts Off Shore, Donnelly Delivers

In 1994, Minneapolis-based LockerMate was unprofitable and struggling to keep its doors open. The company markets in-locker organization and storage products that are sold through national and specialty retailers. LockerMate President George Wood assessed the situation as bleak. "That year, we missed every one of our order delivery deadlines."



"We had the right strategy, but the wrong partner. The success we've enjoyed wouldn't have happened without Donnelly's commitment and expertise."

*- George Wood
President, LockerMate*

Locker storage products are intensely seasonal, manufactured from February until June, distributed in July and sold during the back-to-school season. In 1994, LockerMate operated with five different manufacturing and distribution suppliers. Unfortunately, the suppliers struggled with the short, intense work cycle and provided spotty quality, delivery delays and partial order shipments. Wood envisioned converting LockerMate into a virtual company to focus on what the company's leadership excelled at—sales and marketing. "But if we didn't make drastic changes on the operations side, the company would not survive," said Wood.



KEY BENEFITS

- » 100% quality of service rating from first year to present
- » Sales doubled
- » Higher profit margins
- » Lower manufacturing costs
- » Sufficient inventory with less capital outlay
- » Short run flexibility allows Donnelly to ramp up and down with seasonal market

WANTED: A Head-of-the-Class, Full-Service Manufacturing Partner

George Wood's vision of creating a virtual company was predicated on finding a single source, manufacturing partner to oversee tool procurement, molding, assembly, packaging and distribution. "Our ideal plastics processor needed to be flexible in order to deal with the severe peaks and valleys associated with our tumultuous seasonal market."

LockerMate also sought a partner who would value the opportunity to meet all its operational needs and had leadership with solid manufacturing processes in place. That search led to Donnelly Custom Manufacturing.

"When we narrowed our search down to three finalists, we asked each of them if they experienced quality of service issues," said Wood. "We were interested in good procedure, because all manufacturers deal with quality control. Good procedure will predict good results. Donnelly was the only company able to provide us with written documentation of their quality procedures and performance charts.

"We also met with all of Donnelly's functional teams and felt they had the right chemistry and worked together well," continued Wood. "Taken together, it made the decision an easy one."

Donnelly's Syllabus for Success

Beginning in the spring of 1996, Donnelly quickly and efficiently transferred LockerMate's tooling to its Alexandria facility. They also helped design and source new products from Asia. Donnelly and LockerMate worked closely together to develop customized production and inventory controls and a direct-to-retail order fulfillment process.



"Donnelly seamlessly integrated our parts production, secondary operations and inventory management into their scheduling—something our previous suppliers had trouble with," said Wood. "Donnelly's expertise in short run manufacturing was evident."

Donnelly Delivers a Stellar Report Card

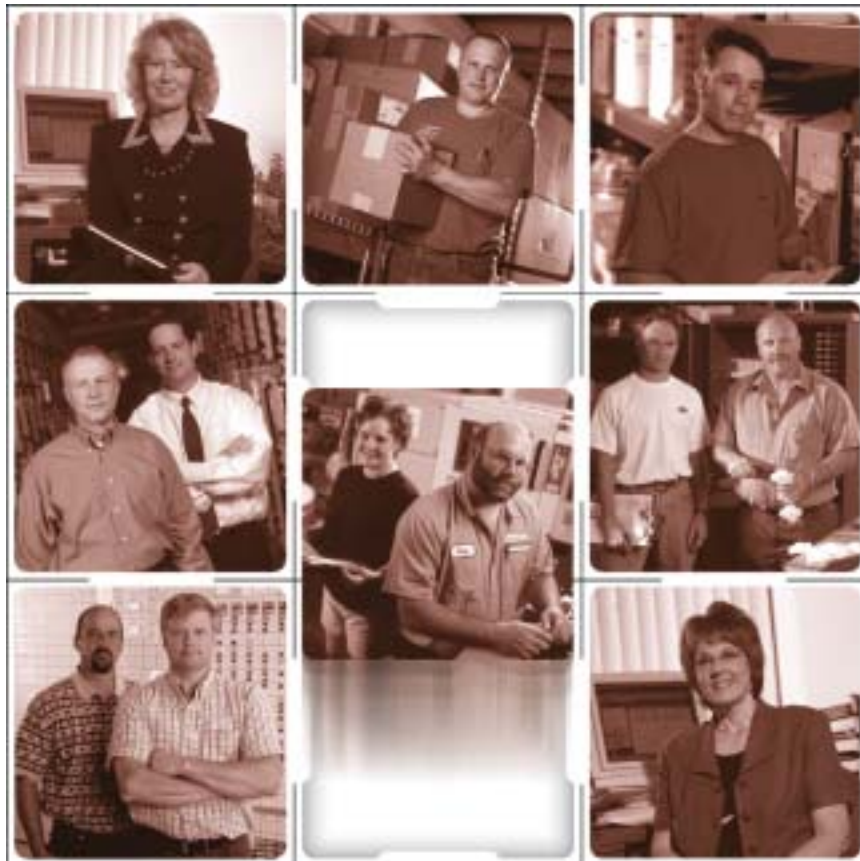
With Donnelly providing a turnkey solution, LockerMate's production and delivery problems were immediately eliminated. In the first year, customer performance skyrocketed to world-class levels—no late deliveries, no quality returns and zero chargebacks. The end result for LockerMate: Increased shelf space with existing customers and sales that have doubled!

Donnelly has provided this level of service ever since. They have also helped LockerMate boost profit margins by improving product designs for manufacturability and eliminating secondary operations. When LockerMate began the process of replacing its flagship product, the Double Shelf storage unit, Donnelly was involved in the design process and helped improve the aesthetics and create patentable features.

According to LockerMate's Wood, "We had the right strategy, but the wrong partner. After meeting with Donnelly, we knew the performance reward far outweighed the risk of changing suppliers. The success we've enjoyed wouldn't have happened without Donnelly's commitment and expertise."



Solving the Short Run Puzzle



Visit www.donnmfg.com to learn
How Short Run Is Done™

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