

# InSight

edition 3 - April 2017



## 1Parts: excited about the future!

### 1Parts Associates



### 1Parts Vendors

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As a new year begins I am extremely honored to have assumed the role of President of 1Parts and represent our global members from ADI, Pronto, and Federated in this exciting venture. I want to extend a special thank you to Thomas Vollmar, our outgoing President, for his insightful leadership throughout the past year.

Our 1Parts organization is now two and a half years old and we have made great progress in creating a new way to visualize the global automotive world. Unlike many other international trading groups 1Parts has taken a different approach to our partnership. By creating our Joint Venture we have a proven commitment to our group and the long term success of all of our members and vendor partners alike. Our board of directors and management staffs have worked diligently to create an environment whereby the exchange of business processes, data analysis, and marketing strategies will make us all stronger in our market places. This collaboration will certainly yield benefits for our vendor partners well beyond what could have been accomplished at a local level. By partnering globally, we have opened up previously untapped potential for all involved.

We are very excited to present to you this update on 1Parts in our latest edition of InSight, our 1Parts global magazine. We will share information on our latest vendor partners, provide updates on ADI, Pronto, and Federated, and discuss our plans for the balance of the year.

Together we are excited about the future. Our strategies and long range plans continue to develop as we all work together to achieve mutual success. As we like to say at 1Parts, leaders take action and I can assure you our current management team is committed to build on the success of our previous leadership.



**Dan Renehan**  
**1Parts President**  
**Chairman of the Board – Pronto**

## Board of Directors

<b>Dan Renehan</b> President Chairman of the Pronto Board COO Stone Wheel	<b>Yvan Domingue</b> Director at Large Pronto VP Monaco Group	<b>Bill Maggs</b> Co-CEO President & CEO of Pronto	<b>Olivier Roux</b> Chairman of the Autodistribution France Supervisory Board	<b>Omer Wesemael</b> Co-CEO Managing Director ADI	<b>Thomas Vollmar</b> ADI President General Manager CARAT - Germany
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## Operational management

<b>Bill Maggs</b> Co-CEO President & CEO of Pronto	<b>Omer Wesemael</b> Co-CEO Managing Director ADI	<b>Mike Mohler</b> VP Partner & Vendor relations Executive Vice President The Group	<b>Nico Muyldermans</b> VP Partner & Vendor relations ADI Secretary General
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# Business Tools to Ensure your Success

Pronto is a North American organization headquartered in Grapevine, Texas, consisting of 90 shareholder owners.

Pronto was formed in 1979 and is a leading program distribution group with over 3.0 billion USD in sales (2,82 billion Euro).

With a focus on marketing, technology, and buying, Pronto members distribute name brand, OE, and Pronto exclusive brand products. The Pronto network is present in the US, Mexico, Canada and Puerto Rico.



## Footprint

90 members  
700 WD locations  
2600 Pronto Service Center Members  
4000 + Jobber Locations  
Turnover: \$ 3.0 billion (€ 2,82 billion) -  
Consumer Cost/Retail

NATIONAL PRONTO ASSOCIATION  
2601 Heritage Avenue  
Grapevine, Texas 76051  
UNITED STATES  
T. +1 800-477-6686  
[billm@pronto-net.com](mailto:billm@pronto-net.com)  
[www.pronto-net.com](http://www.pronto-net.com)



# APSG UPDATE

The APSG joint venture (The Group) owned by Federated and Pronto continues to find improvement opportunities for all members and constituents. There are many areas where collaboration creates added value and the effort to identify those continues to be a priority.

The Group has continued to improve National Account sales with new approvals and sales increases. Key personnel from Federated and Pronto have met to review current processes and policies and have developed suggested improvements.

Several new supplier agreements have been created and purchase increases from many suppliers were at record levels in 2016. The new year has been

busy with more than 20 projects being pursued.

Technology continues to be a focus with several meetings and reviews established to determine future direction and enhancements. Several new processes have been developed for sharing data and new business systems and processes are being created to enhance member productivity and feedback to suppliers. Electronic catalog improvements continue with adoption by a growing number of members and integration with many major system suppliers.

Training continues to be a key focus with The Group Training Academy becoming the single point for quality

training and information. Both members and suppliers are increasing support and content and the site has become an essential part of overall training activity.

In addition The Group continues to review collaboration opportunities in data management, vendor support, service provider benefits, marketing, and a host of other activities.

Members of The Group have been fortunate to visit and tour several AD members last fall and were happy to host a visit with the Broman Group in Canada in early January. This focus on exploring "Best Practices" with our 1Parts partners provides benefits for all.

**DEDICATED**

/// ongoing commitment  
to serving professional  
automotive service providers

**GROWING**

/// global reach with  
a focus on the future

**RESOURCEFUL**

/// employing innovative  
measures to facilitate  
business at all levels  
of the supply chain

**STRATEGIC**

/// adapting to an  
evolving marketplace

**TRUSTED**

/// quality name brand  
auto parts





# Quality Automotive Parts and Accessories

Federated Auto Parts, headquartered in Staunton, Virginia, is one of the largest Auto Parts Distribution and Marketing organizations in North America.

Federated is dedicated to supporting its customers with quality name brand parts, programs designed to grow their businesses, and experienced counter people who are knowledgeable in today's evolving automotive technology.



## Footprint

60 members  
155 Distribution centers  
3000+ Federated jobbers  
3000+ Car care centers

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508 Greenville Avenue  
Staunton, VA 24401  
UNITED STATES  
T. +1 540-885-8460  
[info@federatedautoparts.com](mailto:info@federatedautoparts.com)  
[www.federatedautoparts.com](http://www.federatedautoparts.com)

**1parts**  
Global Aftermarket Services

# *1Parts vendor portfolio* **2017**

**Continental** ContiTech

**DENSO**

**EXIDE**  
TECHNOLOGIES

**Gates**

**KYB**  
Our Precision, Your Advantage

**MANN  
FILTER**

**PHILIPS**

**Remy**

**SCHAEFFLER**

**TENNECO**

**TRW**

**Valeo**

**ZF**



# DRIVING AUTOMOTIVE DISTRIBUTION

ADI, founded in 1970, is a leading automotive aftermarket player with headquarters in Kortenberg, Belgium (EU). Its 600 AD distributors deliver parts, products, tools and equipment to professional installers in 40 countries in Europe, northern Africa and Central Asia.

## Footprint

**25 partners**

**40 nations**

**600 AD Distributors**

**3000 AD outlets**

**Turnover: 6,5 billion €**

**ADI csll**

**Leuvensesteenweg 272**

**B - 3070 Kortenberg**

**BELGIUM**

**T. +32 2 759 29 95**

**info@adi.be**

**www.ad-europe.com**





57

3 member organizations form the global 1Parts organization, covering all together 57 % of the world's passenger car park.

45

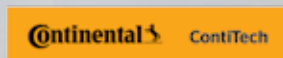
Through its members on both sides of the ocean, 1Parts has a global footprint of 45 countries (Europe, US, Canada, Mexico, Puerto Rico, and Panama).

14

In 2016 the 1Parts members together sold € 14 Billion (= USD 15 Billion) worth of parts, products, tools and equipment to their professional customers.



#### 1Parts Vendors







During 2016, 1Parts has signed global agreements with 3 parts manufacturers. In the next pages you will discover a corporate review on each of them as well as their observations based on a number of direct questions concerning their global activities and their views on 1Parts.



ContiTech

## Drive from around the World, for the World

Headquartered in Hanover, Germany, ContiTech AG is one of the world's leading industry specialists and belongs to international technology corporation Continental. Its customers can be found in key industries such as machine and plant engineering, mining, the agricultural industry and the automotive industry. With around 43,000 employees in 44 countries, the company uses its development and material expertise for products and systems made of rubber, plastic, metal, textile and electronic components to combine these with individual services. ContiTech always thinks in terms of customer-friendly and environmentally-friendly solutions – going well and truly beyond its roots as a producer of rubber products. With sales of €5.5 billion (2016), ContiTech is active with core branches in Europe, Asia, and North and South America.

ContiTech is organized into nine specialized and independently operating business units, including the Power Transmission Group (PTG). Under the motto **"Our Drive – Your Success,"** the PTG manufactures and supplies, among other activities, a complete product range of drive components for the international automotive replacement market. As one of the world's largest manufacturers of rubber and plastic products outside of the tire industry, the company has secured itself a leading position in this area.

### Success through quality and service

With ContiTech, customers receive not only drive belts, but complete solutions tailored specially to their individual requirements. The focus is on quality and service in particular. "Spare parts of

original equipment manufacturer quality" is the standard toward which employees in Germany, Brazil, China, the UK, India, Korea, Mexico, Romania, Slovenia, South Africa, the U.S.A. and Venezuela work every day. This is reflected in the company's absolute self-confidence. For example, a service offer of an extended guarantee of five years for all products in the replacement market range was recently introduced, which, at the same time, serves auto repair shops and dealerships as a quality promise.

ContiTech also uses the digital world for its service offers. For example, auto repair shops can find the video series "Watch and Work" with practical tips and instructions on correctly changing timing belts on social network sites. Alongside timing belts for camshaft drives, balance shafts, fuel injection pumps and water pumps, V-belts



Philip Nelles - Managing Director

and Multi V-belts for the accessory drive in cars and commercial vehicles are also included in the portfolio. Customers receive these separately or as a kit, as required, together with a water pump, tensioner and idler pulleys or relevant assembly tools. One of the latest innovations in measuring and assembly tools is, for example, the Mini Belt Tension Tester (BTT Mini) – a compact frequency measuring device for determining belt tension.

The Automotive Aftermarket segment belongs to the Power Transmission Group business unit and is part of the ContiTech division. In July 2015, Philip Nelles assumed the role of Managing Director. The organization of the aftermarket is divided into the North American and European-Asian sales regions and is led by Rolf Sudmann from Hanover. However, many employees are in action worldwide to be able to maintain customer contact directly on site.



Rolf Sudmann





**Q: OE expertise is one of the 1Parts global balloting criteria: \* What is your OE expertise in the US/in Europe? \* How does it affect your AM offer – both in the US and in Europe?**

In the United States OEM competency is at the very core of our value proposition to our stakeholders. The focus is on driving first to market technologies, the best industry quality, the widest international and domestic range and competitive offering delivered with customer first always mindset.

**Q: How different/equal are the US and European markets in terms of: \* market approach \* customer base \* new sales channels? What in your opinion are the learning opportunities?**

Regardless of the regions around the world the aftermarket is very similar in that it is a people driven business. The channels to the market may be different, the product offering may vary and programs and pricing have different components. But selling and marketing the Continental brand to the professional technician is our target in every region. There are tremendous opportunities to learn from various regions around the world. At ContiTech we take the view Best of Best. Especially the aftermarket in the US has a deep impact in that. But we also understand the need to drive regional preferences. What works in one region may not work in another. Therefore we are very committed to providing the flexibility on a regional market level to drive value in that market. For that the International Trade Group is very important for us.

**Q: Catalogue data is important: What efforts does your company take to provide correct and extensive professional data to the aftermarket in Europe and the US?**

Providing accurate, complete and real-time data is a critical mission regardless of the global region. Professional technicians can not install what is not catalogued. It is becoming increasingly important to view our catalogue as our direct line between the service writers and professional technicians. It is our vehicle to express not only what part fits what application, but also why ContiTech is the best solution. We might not be able to stand in front of every professional technician when they are making their purchasing decision, but our catalogue sure does.

**Q: What is your general appreciation of the 1Parts initiative?**

We appreciate leveraging the opportunity of networking. The 1Parts initiative creates the perfect platform for connecting customers and suppliers on a local level as well as globally.

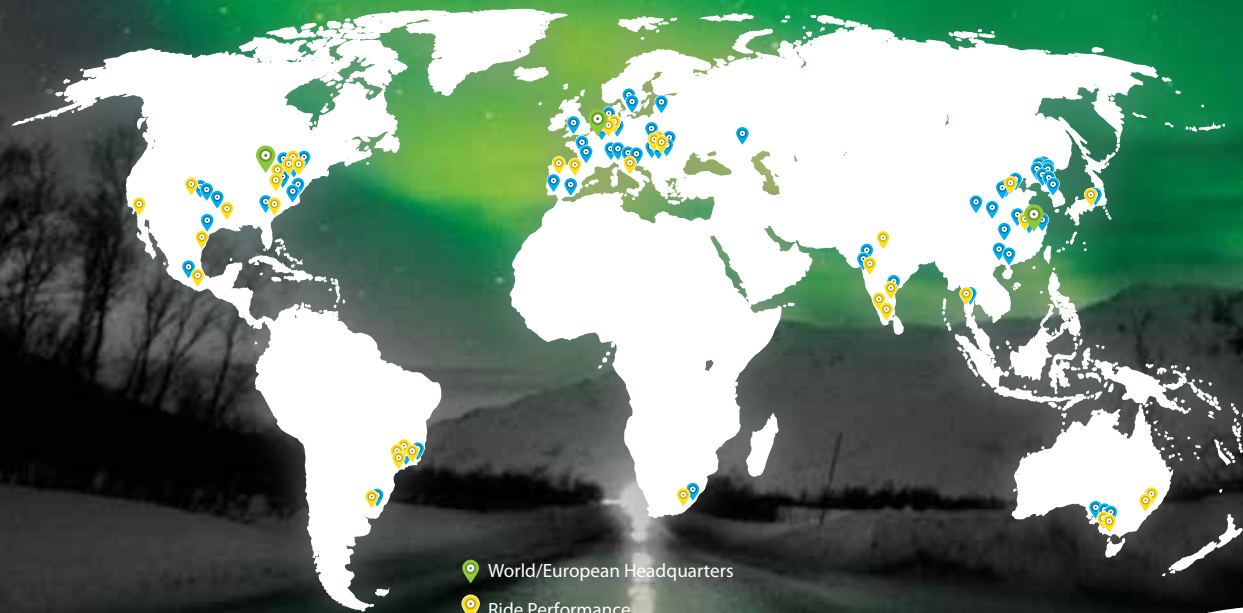
**Q: What do you expect of this collaboration on the mid- and long term?**

We expect to see a focus to grow our opportunities through 1Parts – whether through global cooperation or in cross regional global programs. We also see a tremendous opportunity using 1Parts relationships as a foundation for growth through the group program. We really have a high level of respect for what is being cultivated between our global business and 1Parts as well as regionally.

**Q: What opportunities do you see in terms of global footprint?**

By the acquisition of Veyance beginning of 2015 we have a global footprint in terms of manufacturing and distribution as well as the necessary product range especially for our aftermarket business in North America.

# TENNECO



- World/European Headquarters
- Ride Performance
- Clean Air

## TENNECO

[www.tenneco.com](http://www.tenneco.com)

Tenneco is an \$8.6 billion global manufacturing company with headquarters in Lake Forest, Illinois and approximately 31,000 employees worldwide. Tenneco is one of the world's largest designers, manufacturers and marketers of clean air and ride performance products and systems for automotive and commercial vehicle original equipment markets and the aftermarket. Tenneco's principal brand names are Monroe®, Walker®, XNOx™ and Clevite® Elastomer.

**MONROE**

**WALKER**

**CLEVITE**  
ELASTOMERS

**XNOx™**

### **Q: Compare and explain your brand strategies in the US and Europe.**

Tenneco is committed to growing faster than the market, in both OE production and the aftermarket. Our brand strategies worldwide are designed to help us to take our fair share of all the markets in which we are active.

We sell our powerful Monroe and Walker brands in North America and Europe. Both brands have been around for more than 100 years. The Rancho brand, launched in 1955, remains one of the leading global performance suspension brands for pick-up trucks and SUVs. Our brand strategies may differ in terms of timing of specific product launches, but our brand values are the same. Monroe offers best-in-class technologies that help restore "like-new" ride and handling characteristics on virtually any popular import or domestic model. Tenneco and the Monroe brand are trusted partners to automotive parts providers and their customers, offering industry-leading application coverage, world-class technical training, innovative promotions, and a broad portfolio of other business-building tools.

Walker is a market leader on both continents for quality, fitment, performance, coverage, technical training, and cataloging. Each day thousands of repair professionals choose Walker because the brand's components offer precise, OE-style fit and exceptional performance and durability. Tenneco aftermarket brands are recognizable anywhere in the world with consistent global packaging, regardless of where the products are manufactured.

**MONROE**

**WALKER**

**RANCHO**



**Q: Does your company take specific actions to support the traditional distribution channel and the independent installer? Are they any different on both sides of the ocean?**

We are committed to supporting our customers with a highly experienced salesforce and training teams and tools that are unique in the market. In Europe, we help independent installers remain competitive via our advanced online technical training platforms – Techline and TADIS -- that are accessible free of charge and in all European languages. We back this up with a large and efficient master trainer network. For example, in the last ten years we have trained more than 92,000 installers. This year we plan to train an additional 18,000 people. The number of master trainers is up to almost 50 and more than 130,000 people are connected to Tenneco via our state-of-the-art technical platforms. The concept of master trainers was introduced in North America in 2016. In addition, each member of our sales force is a product expert and is equipped to provide local training. Our sales network is global with offices in North America, Europe, China, South America, India and Australia and we are hiring additional sales personnel in China and the ASEAN (Association of Southeast Asian Nations).



**Q: How do you support your customers with technical know-how?**



We use a wide variety of training tools including our master trainers, consultative clinics, tech helpline, tech bulletins, field sales support, ServiceGrams, website, videos, and a comprehensive e-learning website.

Among the leading business-building tools available from Monroe North America is the Expert Plus® service provider loyalty program that offers innovative promotional programs, point-of-sale tools, online training and other benefits. Monroe also uses a pair of Monroe Shockmobiles that feature a 28-foot-long, 12-foot-high glow-in-the-dark mobile shock absorber. These unique vehicles travel to hundreds of cities each year to communicate the importance of inspecting shocks and struts at 50,000 miles. Monroe recently launched the Service Solutions program in North America. This has five pillars, focused on service professional engagement, education and certification to drive industry productivity on Tenneco product replacements, recommendations and inspections. We intend to offer our Service Solutions program at 11,000 customer locations during 2017.

The first pillar includes new courses on product, technical and consumer engagement including training and certifying customers' training departments. The second pillar leverages our world-class product and diagnostic support staffed by ASE (Automotive Service Excellence) certified professionals who provide product fitment and installation assistance via phone, web and discussion boards. The third pillar of e-learning provides hard-to-reach professionals with video-based, mobile-ready online education courses focused on inspection, diagnostics and fact-based recommendations for priority-based consumer engagement. The fourth pillar is the new Tenneco Experience, a mobile classroom that helps us bring the learning environment to the installer. The fifth and last pillar is marketing services to provide customized job aids, data analytics and procedure developments to maximize consumer and employee engagement.

Walker helps industry professionals grow their sales through a broad range of promotional, point-of-sale and training tools available through the Tenneco Expert Plus® service provider loyalty program.

In Europe, the new Tenneco B-connected fleet of Tenneco Xpo Cruiser vans and highly modified Mini Cooper passenger cars topped with giant Monroe® shock absorbers is also present. B-connected builds on the success of the company's multi-year Tenneco On Tour technical education experience, which helped thousands of industry professionals throughout the EMEA region learn about the latest Monroe® ride performance and suspension and Walker® clean air technologies and a variety of next-generation original equipment products and systems.



# Motion and Mobility

ZF is a global leader in driveline and chassis technology as well as active and passive safety technology. The company has a global workforce of around 137,000 with approximately 230 locations in some 40 countries. In 2016, ZF achieved sales of approximately €35 billion (preliminary figures). ZF annually invests about five percent of its sales in research & development - ensuring continued success through the design and engineering of innovative technologies. ZF is one of the largest automotive suppliers worldwide.

ZF allows vehicles to see, think and act. With its technologies, the company is striving for Vision Zero – a world of mobility without accidents and emissions. With its broad portfolio, ZF is advancing mobility and services in the automobile, truck and industrial technology sectors.

In 2016, the ZF Group completed the integration of automotive powerhouse TRW Automotive and dedicated global division, ZF Aftermarket, was formed. With integrated product and service solutions from 'One Source' and

## Global Statistics & Facts

- 8,000 employees, 120 company locations and 650 service partners
- Provides rapid availability, the highest product quality and excellent service.
- Customer base includes: wholesalers, VMs, forwarding companies, public transport authorities, machine manufacturers, wind farm operators, shipping companies, and of course drivers themselves.
- ZF Aftermarket Brand Portfolio: SACHS - shock absorbers & clutches; LEMFÖRDER – linkage & suspension systems; TRW - braking, steering & suspension parts and systems; BOGE – shock absorbers and complementary parts, and OPENMATICS, ZF's own telematics platform.

the technological backing of the ZF Group, ZF Aftermarket guarantees the performance and efficiency of vehicles throughout their life cycle. With a combination of customized products and services from its established brand portfolio (SACHS, LEMFÖRDER, TRW, BOGE and OPENMATICS) digital innovations, together with a global logistics and service network, ZF Aftermarket is the partner of choice and is best placed to support the future of the aftermarket.



**Helmut Ernst**  
Chairman of the Board of Directors







## **Q: Compare and explain your brand strategies in the US and Europe?**

ZF Aftermarket is a global business which takes a local approach. Each market in which we operate has both similarities & differences: in terms of product demand, market structures, customers and their requirements.

Understanding this, we adopt a global brand strategy and adapt this by brand to meet the needs of that unique market.

The new brand architecture of the ZF Aftermarket organization was presented at Automechanika in Frankfurt last September. Strong product brands are the foundation of the ZF Aftermarket business and are highly valuable to the organization and the customers. SACHS, LEMFÖRDER, TRW, BOGE and OPENMATICS will form part of the future global commercial strategy. ZF will continue to nurture and promote their individual personalities, as these brands are developed, supported, marketed and sold globally.

## **Q: Catalog date is important: What efforts does your company take to provide correct and extensive professional data to the aftermarket in Europe and the US?**

What is common across the business is the service and support which lies behind the product. Common to ZF Aftermarket's global business are the following: up to the minute catalog data, OE references reaching the aftermarket as quickly as possible so that no repairer has to turn away business due to not having the part, together with marketing, technical support and training.

In addition to online, PDF or printed catalogs, customers can search for the correct spare part by using the ZF Part Finder App.

We work closely with leading global data providers such as TecDoc across Europe and the Auto Care Association's ACES and PIES standards for North America.

To summarize, at ZF Aftermarket, we put the customer right at the heart of our business by offering a global business run on a local level together with a one-stop shop concept.

## **Q: What opportunities do you see in terms of global footprint?**

The opportunities to develop our global footprint are many. All of them are driven by the needs of our growing customer base. In turn, the needs of our growing customer base are influenced by a number of factors: future mobility, market development and growth, customer consolidation, the fluctuation of global economies and the elimination of geographical boundaries - to name but a few!

Our aftermarket credentials, backed by the technological power of the ZF Group, position us as one of very few truly global players who can offer consistency of service and product portfolio on an ongoing basis.

We understand the challenges posed by future mobility, and are well placed to meet them. OPENMATICS, ZF's own telematics platform allows a range of applications to be combined on one platform and is an example of how ZF Aftermarket delivers innovation that will shape the future of mobility.

We understand our markets; seamlessly rise to the challenges brought about by change and adapt where necessary.

We understand how and where market development is driven by increasing vehicle parc and increased prosperity, and invest accordingly. We've capitalized on the effects of a rise in customer consolidation across the global IAM over the past 20 years, which has made the market more homogeneous by applying standardized, common approaches across borders to markets which were historically different. We understand that with International Trading Groups and wholesalers adopting a global stance, it's natural that they will influence Europe and vice versa.



# *harmonizing business solutions globally*

[www.1parts.net](http://www.1parts.net)

1Parts vendors 2017

**Continental** ContiTech

**DENSO**

**EXIDE**  
TECHNOLOGIES

**Gates**

**KYB**

*Your Precision. Your Advantage.*

**MANN  
FILTER**

**PHILIPS**

**Remy**

**SCHAEFFLER**

**TENNECO**

**TRW**

**Valeo**

