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Keep on growing

Now settled after a change in management, EUROPART is zoning in on a freshly outlined strategy for future growth.

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In 2011, automotive spare parts and accessories distributor EUROPART was acquired by financial investors Triton and Paragon. This ownership change sparked a new chapter for the former family-run business, giving it a fresh new approach to how it would continue to grow within the industry. A year later, Pierre Fleck was appointed to the role of CEO and, since then, he has been leading the team on a successful journey forward. He says everything is on track for EUROPART as it hones in on its strengths while effectively serving the needs of its customers in the truck, trailer, van, and bus sectors.

“We have enormous potential,” he notes. “We are not just sitting here, waking up saying, ‘Where are we going to go? How are we going to do it?’ We know that we have enormous potential and we have a plan in place to capitalise on that. It took us two years to reposition the business after the ownership change and now we are going full speed ahead with the development phase. It is a matter of prioritising the growth.”

Pierre explains that this growth will come from further developments of EUROPART’s three main business objectives. The first one is EUROPART’s own brand, which is currently its number-one driver. “Back in 1995, the launch of our own brand for truck spare parts was extremely innovative. We managed to consolidate our own-brand strategy from this time onwards and put a lot of effort >>



Pierre Fleck
EUROPART
Chief Executive Officer
Headquarters in Germany

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into further developments such as quality management. For example, all of our own products run through various audits, both internal and independent ones, before the market launch. And even after that, we are continuously monitoring our products to be able to assure highest quality of every own-brand product, any time. Due to the huge demand for alternatives to original manufacturer brands, our own-brand products program is one of our key businesses besides the supply industry."

Pierre continues: "The transport industry is dealing with two challenges: the whole sector is under high cost pressure and, at the same time, it is becoming more and more international. You see, this industry is under huge pressure and pass it on to their suppliers, especially in terms of the margin. Therefore, we have the major answer to both problems, the use of EUROPART's own brand. We can offer extremely high-quality products which are a greater-value-for-money product when compared to the original manufacturer brands. Moreover, we are able to offer original manufacturer brands and EUROPART's own brand in every country for the same price. This is why we are so committed to expanding our network and promoting our high-quality own brand. Our constant growth confirms our strategy."

Pierre points out a huge advantage of EUROPART and states that this offer is unique: "We have thousands of competitors. One of our biggest is, for example, represented in 11 countries, whereas we are represented within 27 countries. We have developed and invested a lot in partnering with multiple countries, in what we call our 'key account strategy'. The more present these guys are in the countries, the more we can offer them one unique price regarding our own brand. You cannot do so if you don't have your own range of products."



"I am one of those people in management who believe that the more you give, the more you will receive." - Pierre Fleck

The second business objective for EUROPART is to focus on the commercial vehicle sector. By developing and maintaining strong partnerships within this sector, Pierre believes that the outcome for EUROPART is significant growth. "We will continue showing that it is most effective to work with us and carry on being one step ahead our competitors."

The third important business objective for EUROPART is to expand its bus business. "We are number one in Europe's truck industry as well as in the trailer business. Now, it is obligatory for us to become number one in the bus segment, too. We already have a strategy plan and are currently implementing these measures. Therefore, we showed strong presence at the trade fair 'Busworld' in Belgium, in October 2014."

In addition to focusing on these product areas, Pierre says EUROPART is aiming for further geographic expansion. "There are still some countries left, where we are not represented at the moment. There are only a few remaining in Europe but we

would like to reach these countries soon. Then, there are some countries in which we are currently not market leader; as a matter of course, we want to be there as soon as possible. Finally, we will continue to win market shares in countries where we are already represented. As you can see, it is a very transparent and simple objective."

When Pierre jumped on board EUROPART, it was not easy at all. It took two years to get things running effectively before growth could become one of the main priorities. After being in the automotive industry for more than two decades, Pierre was well equipped for the job. He started his career in the supplier sector, taking on various international positions before moving into car and truck manufacturing. Finally, in 2012, he joined EUROPART and the independent aftermarket. All of this experience has served him well, giving him true competency about all aspects of the automotive business.

"I've had a really good mix," Pierre says. "I've managed small entities and >>

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“We wanted to keep the advantages of being a family-owned company, but refine and modernise it with corporate values, discipline, and rigour.” – Pierre Fleck

€5 billion businesses. It has also given me the approach and experience to work in diverse multicultural backgrounds, which is very important due to EUROPART's presence in 27 countries.”

Upon joining EUROPART, Pierre's biggest challenge was to get everyone in the company on the same page, aiming for unified business objectives. Pierre managed to build a consistent understanding of where the business was heading and what steps needed to be taken to get there.

“When I started, there was a good understanding of the business already in existence. The right topics were on the table, only the realisation was extremely poor,” he explains. “Firstly, the challenge was to get moving from what I call a highly decentralised business. Secondly, I needed everyone in the company to feel responsible for the new company's focus

to get the transformation into a highly accountable organisation going. You can't do this too fast. You have to respect the history of the company and employees but transform the company into a performing, best-in-class business at the same time.

“This means not only the integration of different cultures but also of the headquarters: we had to define common values, create a platform for exchange, promote lots of consistent communication among each other, and invest in various management tools. We wanted to keep the advantages of being a family-owned company but refine and modernise it with corporate values, discipline, and rigour.

“We also needed to keep the support from our people. To be clear, it was a long and bumpy road to a successful transformation. We had to approach the

values of family-owned times appreciatively and transform them into a trustworthy new direction, about which every employee should be proud. We also wanted to show them that when you have success, you celebrate success.”

Within Pierre's initial two weeks, he decided to interview 60 people within the organisation either on the phone or in person, not only his common direct reports. He asked three questions to each of them: ‘Could you tell me in very simple words what the strategy of the company is?’ ‘Do you like what you do?’ and ‘What is your contribution to the company?’

“Regarding my first question, half of the people were unable to tell what the strategy was. Out of the 30 remaining, I had one-third who told me something, but I couldn't understand a word of it. There were about 10 people who created their own strategy. Only with the remaining ones, was there some sense of synergy. They sort of had an idea about what the strategy actually was. All in all, we had 50 people who had absolutely no clue where they were going. It was like an abandoned boat, with no leadership and people lost.”

These results were a surprise for Pierre. Although the company was achieving tremendous success in the marketplace, there was an obvious internal disconnection which needed to be addressed. This is why EUROPART implemented a change management program. Today, Pierre can proudly say that everyone is back on the boat and heading the right way.

“You need to be transparent and manage by example. Furthermore, you need to >>

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discuss things a lot with people, give them feedback constantly and, most important of all, you need to listen,” he notes. “This is very much a people-driven business so you need to have people on board who feel accountable for what they are doing and what it is all for. You need to communicate clearly and create a unified culture. We did have tremendously experienced people, but no one used the additional benefit of their experience.”

Pierre knew that he needed to get back to the roots to understand the company as a whole back then. He figured out the essential components of the EUROPART DNA, strengthened every one of the components and built—based on the EUROPART DNA—the new company’s focus.

“This took a lot of dedication,” he states bluntly. “Some of the topics were extremely centralised, even too

centralised, whereas at the same time some topics were the exact contrast, too decentralised. We spent a lot of time building a new team and I think we are done now; we are a team. Of course, this was priority; you cannot do all these things alone.”

This required a lot of fieldwork. EUROPART has 230 shops; some of these subsidiaries had never seen anyone from their company’s headquarters until Pierre visited most of them. Thus, he showed every employee that EUROPART needs to work as a team, needs to build bridges between individual departments, and simply needs to communicate.

“We needed to build a lot of transparency, honesty, and we had to give a lot of time to our people,” he says. “I am one of those people in management who believe that the more you give, the more you will receive. At the beginning, it costs you a

lot of time and energy but you have to do it. It’s worth it, especially when it is a people-driven business. The more you respect the people, the more they will respect you.”

Throughout this period of change, EUROPART has maintained solid relationships with its existing supply chain. With a presence in so many countries within Europe, it has been a crucial component to the organisation’s success. “We have extremely long-term relationships with these supply companies and their people,” Pierre notes. “There is a natural geographical fit because, within the truck industry, 70–80 per cent of our suppliers are either German or Scandinavian based. That is why we are so strong in those regions. The number of suppliers that are located within 150–200 kilometres to our headquarters is significant; this makes it a lot easier for us to collaborate.

“We also give our suppliers transparency, which has helped to secure long-term arrangements. The supply brands we use are absolutely best in class. They deliver to truck, trailer, and bus manufacturers with very demanding requirements. Therefore, it is our job to develop, protect and make sure their brand is represented in an appropriate way possible. We absolutely promote the values of their brands. Moreover, there is a lot of respect for our suppliers. They know that we will not misuse their brand or products.”

With its staff and supply base aligned and travelling in the same direction, Pierre can focus all of his attention on EUROPART’s plans for growth and expansion. He says there have been many proud moments along EUROPART’s journey, but one in particular was the company’s entry into truck-racing sponsorship in 2013, a style of event similar to the Formula 1. In 2015, EUROPART fitted out the racing trucks of Team Frankie, from the Czech

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Republic, and Team 14, from France, with EUROPART’s own brand of brake pads, brake discs, batteries, filters, and other products, for the racetrack showdowns.

“We are sponsoring these two teams. There are 10 races across eight countries over the course of a year,” Pierre notes. “We also invite employees and customers to these events. It makes me proud that our own-brand products are used within these races; EUROPART’s own brand actually is ‘Truck Race Approved’.

“Sometimes, even long-term partners are surprised that our products show best



performance and exceptional reliability under the extreme conditions of truck racing. In addition to that, this championship, with locations in 10

European countries, fits exactly with our European DNA. It’s a great possibility to share our passion for what we do with everyone out there.” ■

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