



On top of THEIR GAME

Each program group has established a strategic **POSITION** in the industry and they're doing everything in their power to ensure all the right **MOVES** are made.

By James E. Guyette
News Correspondent



Having seen two major program group plays in recent months — Pronto with RPM and Parts Plus with IAPA — it seems as if no one is keeping score; these mergers are being viewed as an accepted reality of today's business climate. Optimism is abound as the memberships anticipate better pricing, streamlined supply and marketing strategies, along with enhanced technician training sessions.

The industry is calling for clairvoyance, however, when it comes to predicting future activity among the existing programmed groups serving jobbers, warehouse distributors, shops and some retailers. "That's a good question," defers Rusty Bishop, CEO of the Federated Auto Parts program group, declining to take a stab at the topic. "I don't have a crystal ball."

Industry consultant Jack Creamer had a clear vision of the future when he analyzed the aftermarket in 1981: "I predicted that we'd be down to eight program groups, and that's about where we're at right now." Though our report features 14, there are a few that have stepped up in

terms of size and power.

The program group concept started in 1925 at Detroit's Statler Hotel with the founding of NAPA — the National Automotive Parts Association. CAR-QUEST, the segment's second entry, came along in the '70s.

"That's what started the ball rolling," recalls Creamer, president emeritus of the Automotive Warehouse Distributors Association (AWDA) and an *Aftermarket Business* Editorial Board member. By the beginning of the 1980s, almost 85 percent of American WDs belonged to one.

"In the old days, the AWDA members met with the vendors individually." The rise of the program group provided industry participants with a source of collective marketing and buying power that has evolved over the ensuing years to include tech-oriented training sessions and a host of other offerings, says Creamer, who operates the Distribution Marketing Services Co.

At one time, some 20 program groups were serving the industry, including names such as Greenlight and the Big A.

Both succumbed to financial difficulties, their members scattering and moving to other affiliations. Various program groups

"have merged, consolidated, been acquired — you name it," Creamer recounts.

Beckoning alternatives

"There are potentially more shuffles to come," says Mary-Beth Kellenberger, senior aftermarket analyst for Frost and Sullivan. "It's an evolutionary function of business." In addition to a continuing consolidation activity, she expects to see individual group members leaving their current association in favor of another. "You're starting to see members exercise their free-trade arrangements," she says.

"It's very much like the trading and development on baseball teams," according to Kellenberger. An organization may have an abundance of power-hitting outfielders and a dire need for a sure-handed shortstop, but the program group league differs in that "it's not like trading a player — it's more like the other team is coming out and saying, 'Come and join us.'"

This shuffling originates from both sides, the motivations are many and the teams keep the details behind closed doors.

Several program groups have become Frost and Sullivan clients, seeking assistance with their strategic marketing plans. Keeping confidentiality in mind,

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basically steal members from somebody else.”

Thus, program groups are becoming much more than the “buying groups” of old, offering promotional materials and other marketing enhancements.

“There’s a point where the discounts (from manufacturers) top-out, and you want good, profitable members” that can support these other programs for the good of the group. “You’re contributing to it almost like a franchise. You don’t want only 40 percent of your business making a good profit.”

Merging traffic

“I don’t know if there’s a whole lot of room for additional mergers,” says Thomas Clayton, AIM president and CEO, quickly noting that continuing consolidation is “always a possibility,” although AIM/CMB has no such plans.

“I would have told you that last August,” remarks Bill Maggs, president of the National Pronto Association. “It’s a changing market out there.” Pronto’s recent merger with the RPM Group came together rather quickly, and the enhanced enterprise — retaining the Pronto nameplate — is rapidly rolling onward with the pre-merger Pronto practice of actively recruiting new shareholders, as the members are called. Two-dozen companies have joined in the past year, including newcomers enticed by the RPM side of the lineup.

General Auto Parts and Brewer Auto Parts, both of Toronto, Dana Automotive, Inc., of Nutley, N.J., A&J Automotive in Redford, Mich., and One Stop Parts Source in Santa Ana, Calif., are among the more recent shareholder signings. Another significant addition is Strauss Discount Auto — the largest automotive parts and service chain serving the metropolitan New York City, New Jersey and Philadelphia markets.

RPM executives had been recruiting Strauss prior to the merger, and they signed on as soon as the deal was done.

The members coming in from the RPM contingent are gaining significant advantages through the Pronto affiliation, scoring competitive points by offering training sessions and other benefits to their service center customers. “We’ve got some pretty good installer programs,” Maggs says.

The organization also offers marketing support for its name brand products and the Pronto and Autotec 1 private label lines. Shareholders have the ability to utilize either the Pronto Smart Choice or VIP Tech Center marketing programs. “We’ve all become one,” Maggs continues, noting how everyone will gain with the merger. “Pronto has been out in the marketplace since 1978 — we have a lot of WDs and jobbers out there who are identified with Pronto — and some of the RPM guys have a great legacy. This move is in line with the

Pronto growth strategy of adding quality entrepreneurial businesses.”

As Pronto signage rolls off the press, now-former RPM members are welcoming the solid name recognition. Over the years, the members had maintained individual identities, so adding the Pronto banner is an added plus with little disruption expected from cosmetic changeovers, according to Mike Mitchell, previous RPM executive director and now Pronto’s director of supply chain management.

Mitchell believes that “this is a long-term benefit to all the members.”

You can expect major improvements in the parts verification process, he says. “Whatever practice is the best is the one we’re going to adopt. These store-to-installer marketing programs are going to be very important to us going forward.”

At Axel Plus Automotive, a veteran Pronto shareholder based in Stockton, Calif., they’re saying, “Growth is a good thing,” relates Doyle Clay, general manager. The local impact of the merger is unknown at this point, but “it’s going to help the group in general. It will give us added buying power and add to our purchasing” options and opportunities. “I’m very happy with the direction the group is going.”

Size counts

The Automotive Distribution Network is another key addition to the program group realm, formed via a co-partnership between Parts Plus and Independent Auto Parts of America (IAPA). Both parties are retaining their respective group names while increasing their buying and marketing power under the Network’s umbrella, according to Mike Kamal, IAPA’s executive director and the Network’s co-president.

A business’ size and ability to pay its bills can be very important to a group’s makeup.

“The Automotive Distribution Network is important when we deal with our vendors because that name represents 49 warehouses, so we want to look at the strength of that when dealing and negotiating with our vendors. We will use it when we talk to national accounts,” explains Mike Lambert, Parts Plus’ president and the Network’s co-president.

“We’re keeping our two brands because we’ve both invested in them over the years. Parts Plus and IAPA have spent millions of dollars building their brands. From the consumer standpoint, the brands are what is important to them,” Lambert points out.

“Our goal is to streamline the marketing programs as best as possible,” Kamal reports.

“From a marketing standpoint, national accounts offer a huge opportunity for us,”

agrees Steve Sattinger, vice president of Merle’s Automotive Supply in Tucson, Ariz., chairman of Parts Plus and co-chair for the Network. “We’ve been the sole supplier to Goodyear for a number of years. It allows us to further the relationship with accounts like that and grow that end of the business.”

Sattinger joins Lambert and Kamal, now known collectively as the Network as “the two Mikes,” in inviting other business owners to come on board.

“We are going to do a few solicitations in markets that we might find essential,” notes Lambert. “We have some uniqueness in that we are going to offer an alternative from other groups.”

“In this industry, size counts,” Sattinger asserts. “We believed the easiest way to address the changes was by a merger. It gives us additional strength in the market. We have 250 warehouses serving over 2,000 jobbers. We’ve more than doubled in size to \$2 billion in sales.”

Parts Plus member Randolph Auto Supply is a jobber serving the Randolph, N.Y. area; to owner Howard Walters the merger means “my warehouse will have better buying power with the manufacturers — that’s about the only benefit I can see.” He says the consolidation is still too recent to determine other ramifications of the arrangement.

Idaho-based KAPS Warehouse, Inc. is one of the more recent additions to Parts Plus and the Network. With two 20,000-sq.-foot warehouses, KAPS is forming an area network of its own consisting of the Parts Plus brand.

“Along with our 15 company-owned stores, we plan to eventually have 10 Parts Plus-identified auto store customers and 30 Car Care Centers join our program,” says Bill Sponenburgh, the WD’s president and CEO. “We’ve been aggressively stepping up our marketing efforts the last few years, and joining the Network through Parts Plus was the next logical step for us.”

A significant driver of the IAPA/Parts Plus co-partnership was last fall’s merger between Quebec’s Uni-Select, Inc. and the Buzzard family’s MAWDI — Middle Atlantic Warehouse Distributor, Inc. Uni-Select, founded in 1968 by 12 Canadian businessmen, belonged to Parts Plus, while MAWDI was affiliated with IAPA under the leadership of Jim Buzzard.

As the Uni-Select/MAWDI deal was closing in November, the principals were already talking about an IAPA/Parts Plus union. It turned out that the respective memberships were all for it. Reaction was “absolutely positive,” says Sattinger. “It was a unanimous vote to go forth with the merger on our side and we know that it was a unanimous vote on the IAPA side.”

Finding a fit

The issues can be quite complex when a merger among program groups is contemplated. “There’s got to be a need for a merger for it to make sense. You don’t just merge

Kellenberger discusses, in general, some of the reasons that may prompt a change:

Dollar values of the members’ businesses, their business philosophies or geographic locations are all factors that can steer a group or member’s direction.

If a group is strong in Texas, it’s more likely to want members in Louisiana rather than Wisconsin, she points out. The Lone Star State association has even more collective power if it includes businesses in Florida and Alabama — either through recruitment efforts or merging with another group. “If those two join together, they can own the Southern seaboard.”

Meanwhile, a member way up in the Dairy State may have trouble getting its parts delivered on time, yet another program group may have a new distribution center just five miles down the road.

Some member markets may be stagnant, on the decline or otherwise not compatible with the others. Or a program group’s turf may simply be too crowded, an unpleasant situation for all. “The last thing you want is 20 guys in an organization fighting over the same territory,” says Kellenberger.

Size-of-business and an operation’s ability to pay its bills can be especially important to a group’s makeup. An association may want no more than 10 percent of its membership valued at below \$5 million a year. “A lot of those small guys are high maintenance,” she says.

Buyouts could drive some shifting: “Smaller members may be acquired by other members.” Another group may feel pressured by a larger business. “A dominant member could upset the balance.” Merging might equalize a membership base.

Program groups hold their strategic marketing plans close to the vest. These goals can shift as the aftermarket changes.

Under past market conditions, “the goal was to go out and capture as many members as you can,” says Kellenberger. As more operations become affiliated with program groups, “to grow, you have to

to merge,” observes Clayton at AIM/CMB, which formed through a 1994 merger. Three other mergers came with the addition of DWC/Cygnus, Auto Extra and SDI.

The AIM and CMB elements are a fine fit, Clayton says. “Even though they’re in Florida and we’re in Georgia, it feels like we’re next door.”

“We share the same programs throughout,” explains Dick Palmer, CMB’s vice president. “There’s probably 100 years of experience sitting in this (combined) office.”

Program group executives often cite the notion of “fit,” yet the concept can be an elusive quality that defies definition. “Cultural mix” is another term that comes into play.

If merger talk turns serious, “you have to take a good look at your membership(s) and make sure it doesn’t cause adversarial relationships,” Clayton advises. “There can’t be a losing side and a winning side: All sides have to view themselves as winners.”

Seeing a need for expansion coupled with like-minded people helped grease the Pronto/RPM arrangements, according to Maggs at Pronto. “We are a member-owned group with great entrepreneurs.” By all accounts the RPM members make a good fit.

“Our memberships share a common culture and entrepreneurial spirit,” says John Cousins, Pronto’s chairman. “Our new combined board will be structured to provide comprehensive benefits of the new larger group equally to all members of both groups.”

TruStar, founded in 1987 by Steve Upton, has never experienced a merger. It is among five specialized program groups (such as Eagle Nation and Power Heavy Duty) operated as separate entities under the Elite Marketing umbrella.

“We’re not going to merge,” declares Kevin Davidson, TruStar’s marketing manager. “I think the merging will slow down — who’s left? I think the program groups that are going to merge already have.” Davidson advises truly independent WDs to select an affiliation soon. “If there are distributors still out there without a program group they’d better get with one or else they won’t be around much longer.”

In the mid-1990s, Federated Auto absorbed a smaller group from Texas that wished to close its headquarters, recounts Mike Schultz, executive vice president. “That was the only one we have merged with.” It is Schultz’s view that this industry’s vendors are tapped-out in terms of offering the desired bulk-buying pricing benefits steering the program group merger arena. “I don’t know how much pull they’d have with the manufacturers. I don’t know how much more they have to give.”

Auto Parts Associates, which held its national conference in New Orleans in March, has been growing by leaps and bounds, without merging. “We have been very successful this year and last year at adding new members,” Dan Freeman, president of the member-owned group, said during their conference. “It is something we strive for every year, but adding new

members just for the sake of adding new members isn’t always a great accomplishment; but to add quality members, that’s an accomplishment.” APA added 35 new members in the last two years and had three prospects sign on as members during their convention. As for mergers, Freeman believes they are serious business and “you have to be sure counter cultures don’t exist.” If approached, Freeman is willing to listen to merger talk. “We’re always open,” he says, but “when you look at mergers, it has to be good for everybody.”

Jim Green, who owned The Equipment Co., founded APA in 1973 because “he wanted to capture advertising dollars from the manufacturers.” At a 1980 meeting in Houston, the seven other members “got cold feet” at the prospect of paying for a headquarters, and Green ended up footing the bill in exchange for collecting manufacturer rebates.

In 1992, APA merged with Delta 3, an East Coast group, and by 1994 APA had

become a member-owned operation.

An affiliation with SIPS — Survival of Import Parts Specialists — is moving forward and providing assistance to those marketing components from overseas. SIPS, which has 30 members nationwide, is not a buying group but rather an association supplying mutual support for category participants. “Most of them are members of our group,” says Freeman, noting that half of APA’s more recent roster additions are import-related companies.



“We’ve honed our services more to the import specialist,” he points out. “Just like we’ve developed programs for heavy duty or PB&E (paint, body and equipment), we’ve developed services for import parts specialists.”

“We’re just broadening our brush stroke so we can be more attractive to the people who supply the automotive industry,” he says.

Automobile dealerships pose a daunting threat that requires close attention, according to Freeman. They are attracting the best technicians and actively filling their bays with vehicles that were once the domain of service centers. “The biggest challenge for the industry is training at the installer level,” he says, citing parts-distribution logistics as another key concern.

Parts Plus’ chairman Sattinger agrees. He told us they offer a professional train-

ing series for jobbers and technicians. “Part of what our Car Care Centers are all about is to level the playing field with the car dealers.”

Inventory turns

“The people who turn inventory are the ones who survive,” suggests Richard H. Morgan, president and CEO of the Aftermarket Auto Parts Alliance. Having the merchandise in stock is not enough these days, he adds, citing the need for enhanced information technology systems and supply chain management innovations. (See his guest column on page 76.) “Everything has to be done quicker.” Morgan’s take on the general business climate is similar, as he sees “the quick gobbling up the slow.”

The Alliance was formed in 2000 with the joining of Auto Value Associates and All Pro/Bumper to Bumper. All Pro/Bumper to Bumper had formed via a 1992 merger. Auto Value was founded in 1976 by S. R. “Dick” Downey, William “Bill” Cherry, Herman Siegel and Jack Alexander. That same year saw the birth of All Pro, led by Riley Taylor. Bumper to Bumper was formed in 1973 by Martin G. Brown.

In 2002, the Alliance added TEMOT International, a group of WDs from Europe

representing 16 countries.

Auto Value and Bumper to Bumper emerged as the new Alliance images in December 2003. “It works out very well with the two brands,” says Morgan. “It’s like General Motors having several brands” of vehicle models. More merging is not in the offing for the Alliance, according to Morgan. “Our growth is going to come from finding good warehouse distributors that desire our programs,” he says. “Probably the last eight or nine members we’ve brought in came from other program groups.”

Program groups help level the playing field with the car dealers.

Now with 57 members, quality is coveted more than quantity. “If we wanted numbers, we could have 150 members,” Morgan contends.

Category-specifics true to mission

Engine Pro/Engine Parts Group is a category-specific organization serving some 15,000 machine shops, engine rebuilders

and affiliated jobbers. “We have 13 owners and 33 distribution centers,” reports Greg Dunlap, president and CEO.

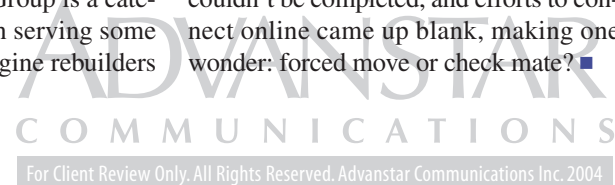
It was established in 1989 by “12 like-minded folks who saw the progress other program groups had made,” he says, noting that newer members are attracted to the technical training, business management instruction and volume buying. “The group is becoming a more powerful entity in the process,” Dunlap points out.

Driver/FX is the program group arm of WD Keystone Automotive, aimed at independent jobbers and retailers focused on “SEMA-like specialty products,” says Larry Montente, vice president of marketing. National advertising, signage and other marketing aids are offered.

The status of Auto Parts Professionals remains uncertain. “We’re still up and running, but we’re restructuring right now,” explains Robert E. Luna, president and CEO, when contacted at home. He says the organization’s member count is at about 12 to 14 but “there are some claiming to be members who we know have joined another group.”

Telephone calls to APP’s listed number couldn’t be completed, and efforts to connect online came up blank, making one wonder: forced move or check mate? ■

Program Distribution Report **DIRECTORY**



AAM USA Inc.

PRESIDENT: Tim Odom
YEAR ESTABLISHED: 1988
WD MEMBERS: 14
MEMBER-OWNED WAREHOUSES: 17
MEMBER-OWNED JOBBER STORES: 115
NON-MEMBER-OWNED JOBBER STORES: 400
TOTAL JOBBER STORES IN THE PROGRAM GROUP: 515
MEMBER-OWNED SERVICE CENTERS: Not provided
NON-MEMBER-OWNED SERVICE CENTERS: Not provided
TOTAL SERVICE CENTERS IN THE PROGRAM GROUP: Not provided
STATES COVERED: All 50
MAJOR MEMBERS: All AAM members are equal voting members

GROUP STRUCTURE: Shareholders elect a board of directors to serve two-year terms

FEE REQUIREMENTS: Not provided
JOBBER REQUIREMENTS: Not provided
WD REQUIREMENTS: Not provided
RETAIL: 20%
WHOLESALE: 80%
PRIVATE LABEL: 5%
MAJOR BRANDS: 95%
PROGRAMS: Marketing support for the Parts Pro program includes an annual 300-plus page, four-color catalog, full color bi-monthly tabloids designed to pull merchandise through Parts Pro outlets, bi-monthly in-store sale posters, electronic newsletters and an interactive site (www.parts-pro.com) to provide jobbers with data distribution and 24-hour consumer referrals.

AAM began Trux Stuff, a new marketing initiative that specifically addresses the truck and SUV marketplace, this January. The program is designed to create focused marketing material for the group’s WD members and jobbers participating in the truck accessory aftermarket. The program will grow to include point-of-sale posters and a Web-based product support program.

The AAM Group

106 W. SPRINGBROOK DRIVE
 JOHNSON CITY, TN 37604
 (423) 282-0211
 FAX: (423) 282-6354
www.parts-pro.com

Aftermarket Auto Parts Alliance

PRESIDENT: Richard H. Morgan
YEAR ESTABLISHED: 2000; original groups founded more than 30 years ago
WD MEMBERS: 57
MEMBER-OWNED WAREHOUSES: 145
MEMBER-OWNED JOBBER STORES: 2,085
NON-MEMBER-OWNED JOBBER STORES: 2,202
TOTAL JOBBER STORES IN THE PROGRAM GROUP: 4,287
MEMBER-OWNED SERVICE CENTERS: 11
NON-MEMBER-OWNED SERVICE CENTERS: 2,208
TOTAL SERVICE CENTERS IN THE PROGRAM GROUP: 2,219
STATES COVERED: All 50

MAJOR MEMBERS: Auto-Wares Inc., Hahn Automotive, LC Enterprises, Midwest Auto Parts, O’Reilly Automotive, Parts Depot, Parts Warehouse Inc., Prime Automotive

GROUP STRUCTURE: A 10-person board of directors is elected by the membership with staggered two- and three-year terms.
FEE REQUIREMENTS: Determined by member WD
JOBBER REQUIREMENTS: Determined by member WD
WD REQUIREMENTS: Based on market penetration, needs of group
RETAIL: 30%
WHOLESALE: 70%
PRIVATE LABEL: 35%
MAJOR BRANDS: 65%

PROGRAMS: Full program for jobbers and certified service centers including marketing, advertising, training, merchandising, loyalty programs, recruitment, annual surveys, advisory councils and more

President and CEO Richard H. Morgan says the Alliance’s steady growth can be attributed to two factors: members participating in all programs at both the product and marketing levels, and members’ acquisitions of competitors opening up new marketing opportunities. This year’s emphasis will be compliance by the membership in both product and marketing areas.



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 SAN ANTONIO, TX 78258
 (210) 492-4868
 FAX: (210) 492-4890
www.800autotalk.com

AIM/CMB Marketing

AIM CEO/PRESIDENT:
Thomas Clayton

CMB CEO/PRESIDENT:
Harold Cameron

YEAR ESTABLISHED: 1988

WD MEMBERS: 1,200
MEMBER-OWNED
WAREHOUSES: Not provided

MEMBER-OWNED JOBBER
STORES: Not provided

NON-MEMBER-OWNED
JOBBER STORES:
Not provided
TOTAL JOBBER STORES IN THE
PROGRAM GROUP:
Not provided

MEMBER-OWNED SERVICE
CENTERS: Not provided
NON-MEMBER-OWNED
SERVICE CENTERS:
Not provided
TOTAL SERVICE CENTERS IN
THE PROGRAM GROUP:
Not provided

STATES COVERED: All 50

GROUP CONSISTS OF: AIM,
CMB Marketing, Auto
Extra, CYGNUS, DWC,
Import Parts Marketing,
SDI, Undercar America

GROUP STRUCTURE: A dis-
tributor advisory council
board meets annually to
provide direction to group
management. New board
members are elected by a
majority vote of the exist-
ing board.

FEE REQUIREMENTS:
Not for publication
JOBBER REQUIREMENTS:
Not for publication
WD REQUIREMENTS:
Not for publication

RETAIL: not provided
WHOLESALE: not provided
PRIVATE LABEL: 10%
MAJOR BRANDS: 90%

PROGRAMS: Training pro-
gram; pricing; computer
services for software and
hardware; signage;
installer program; adver-
tising in trade publica-
tions; training tape library;
premium incentive com-
pany; insurance program

The group announced their new membership website, www.aim-cmbmarketing.com, which includes manufacturer links. They will continue identifying needs of the membership while developing partnership relationships with supportive manufacturers.



AIM
645 HENDERSON DRIVE
SUITE 10
CARTERSVILLE, GA 30210
(770) 386-4750
FAX: (770) 386-4833

CMB MARKETING
20 LAKE WIRE DRIVE
SUITE 202
LAKELAND, FL 33815
(863) 682-0300
FAX: (863) 683-3442
www.aim-cmbmarketing.com

Automotive Distribution Network

CO-CHAIRMEN: Stephen
Sattinger, Mark Bond
CO-PRESIDENTS: Mike
Kamal, Mike Lambert

YEAR ESTABLISHED: 2005
(Parts Plus - 1977, IAPA -
1986)

WD MEMBERS: 49
MEMBER-OWNED
WAREHOUSES: 250

MEMBER-OWNED JOBBER
STORES: 500
NON-MEMBER-OWNED
JOBBER STORES: 1,500
TOTAL JOBBER STORES IN THE
PROGRAM GROUP: 2,000

MEMBER-OWNED SERVICE
CENTERS: 0
NON-MEMBER-OWNED
SERVICE CENTERS: 1,500
TOTAL SERVICE CENTERS IN
THE PROGRAM GROUP: 1,500

STATES COVERED: All 50

MAJOR MEMBERS: Automotive
Supply Assoc., Hanson
Distributing, Herzogs,
Merle's Auto, Pacific
Supply, Parts Distributors,
Quality Whse., Uni-Select
USA/Mawdi, WM Auto

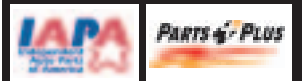
GROUP STRUCTURE: Members
elect a seven-person
board of directors to
serve one-year terms.
Proportional voting on
product/governance
issues. Additional com-
mittees make recommen-
dations on product, mar-
keting, national account,
IT and training.

FEE REQUIREMENTS:
Varies by member
JOBBER REQUIREMENTS:
Varies by member
WD REQUIREMENTS:
Varies by member

RETAIL: 20%
WHOLESALE: 80%
PRIVATE LABEL: 20%
MAJOR BRANDS: 80%

PROGRAMS: Appearance
and identification; in-store
design, merchandising;
computer services and
connectivity; education
with both business man-
agement and technical
training at service dealer
and jobbers; service deal-
er, jobber councils; nation-
al parts warranty

With the merger of Parts Plus and IAPA, 2005 will see the Network combine purchasing programs and national account service ability. The network will combine their investments in technology and e-commerce for further growth. The groups will maintain separate marketing programs for the membership and look for synergies to enhance the programs.



5050 POPLAR AVE., SUITE 2020
MEMPHIS, TN 38157
(901) 682-9090
FAX: (901) 682-9098
www.partsplus.com,
www.IAPAparts.com

Auto Parts Associates, Inc.

PRESIDENT: Dan Freeman

YEAR ESTABLISHED: 1972

WD MEMBERS: 124
MEMBER-OWNED
WAREHOUSES: 170

MEMBER-OWNED JOBBER
STORES: 726

NON-MEMBER-OWNED
JOBBER STORES: 1,587
TOTAL JOBBER STORES IN THE
PROGRAM GROUP: 2,313

MEMBER-OWNED SERVICE
CENTERS: 0
NON-MEMBER-OWNED
SERVICE CENTERS: 1,156
TOTAL SERVICE CENTERS IN
THE PROGRAM GROUP: 1,156

STATES COVERED: All except
Ark., Del., Ga., Idaho,
La., Maine, Miss., Mont.,
N.H., N.M., N.C., Okla.,
R.I., S.C., S.D., Vt.,
W.Va., Wyo.

MAJOR MEMBERS: All
members are major

GROUP STRUCTURE: Board of
directors are not com-
pensated. Board is elect-
ed by members to serve
two-year terms. One
member, one vote. Three
categories of product
lines: Approved,
Preferred and
Professionals' Choice.
APA is a compliance
group.

FEE REQUIREMENTS: Varies
JOBBER REQUIREMENTS:
Varies
WD REQUIREMENTS:
Applications reviewed on
an individual basis

RETAIL: 20%
WHOLESALE: 80%
PRIVATE LABEL: 35%
MAJOR BRANDS: 65%

PROGRAMS: Training; pro-
motions; service pro-
grams for jobbers and
installers; national adver-
tising in industry trade
publications; APA website

APA added 17 mem-
bers in 2004 and
announced the addi-
tion of 18 new mem-
bers at their annual
convention in March.
APA will continue to
target the professional
installer through loyal-
ty and reward promo-
tions. For 2005, pro-
motions include the
Carnival Caribbean
cruise incentive earn-
back program and the
NASCAR NEXTEL
CUP racing weekend
sweepstakes.



10551 LACKMAN ROAD
LANEXA, KS 66219
(800) 552-4049
FAX: (913) 310-9255
www.professionalschoice.com

Auto Parts Professionals

PRESIDENT: Robert E. Luna

YEAR ESTABLISHED: 1988

WD MEMBERS: 12
MEMBER-OWNED
WAREHOUSES: 15

MEMBER-OWNED JOBBER
STORES: 15

NON-MEMBER-OWNED
JOBBER STORES:
Not provided
TOTAL JOBBER STORES IN THE
PROGRAM GROUP:
Not provided

MEMBER-OWNED SERVICE
CENTERS: Not provided
NON-MEMBER-OWNED
SERVICE CENTERS:
Not provided
TOTAL SERVICE CENTERS IN
THE PROGRAM GROUP:
Not provided

STATES COVERED: Calif.,
Kan., Miss., N.Y., Texas

MAJOR MEMBERS:
Not provided

GROUP STRUCTURE: An
equally owned sub-chap-
ter "T" corporate coopera-
tive where each member
has a single share of stock
and equal voting power. A
five-man board of direc-
tors is elected from the
membership with a maxi-
mum of two consecutive
three-year terms. A com-
plete certified audit is con-
ducted and submitted to
all members every year.

FEE REQUIREMENTS:
Varies by market
JOBBER REQUIREMENTS:
Varies by market
WD REQUIREMENTS:
Varies by market

RETAIL: 20%
WHOLESALE: 80%
PRIVATE LABEL: 25%
MAJOR BRANDS: 75%

PROGRAMS: Special pricing
for major branded and
exclusive Mechanics
Circle products. All
Windows-based ProTrac
computer system and
ProLinc Internet purchas-
ing module available.

APP is further refining their future plans with continued emphasis on purchasing, marketing, merchandising, computerization, warranties and other business tools required for independent distributor success, says Robert E. Luna, APP's president.



14742 S. MURRAY LANE
OLATHE, KS 66062
(816) 679-7000

CARQUEST Corporation

PRESIDENT: Art Lottes III
YEAR ESTABLISHED: 1974
WD MEMBERS: 5
MEMBER-OWNED WAREHOUSES: 49
MEMBER-OWNED JOBBER STORES: Not provided
NON-MEMBER-OWNED JOBBER STORES: Not provided
TOTAL JOBBER STORES IN THE PROGRAM GROUP: Not provided
MEMBER-OWNED SERVICE CENTERS: Not provided
NON-MEMBER-OWNED SERVICE CENTERS: Not provided
TOTAL SERVICE CENTERS IN THE PROGRAM GROUP: Not provided
STATES COVERED: All 50
MAJOR MEMBERS: Automotive Warehouse Inc., BWP Distributors, CAP Warehouse, General Parts Inc., Muffler Warehouse Inc.

GROUP STRUCTURE: Not provided
FEE REQUIREMENTS: Varies by member
JOBBER REQUIREMENTS: Varies by member
WD REQUIREMENTS: Varies by member
RETAIL: 15%
WHOLESALE: 85%
PRIVATE LABEL: 90%
MAJOR BRANDS: 10%
PROGRAMS: Advertising programs and marketing support; TECH-NET Professional for service dealers; full CARQUEST brand product support; store training programs; CARQUEST Technical Institute for service dealer training; financial assistance; CARQUEST insurance programs

Robert Blair, executive vice president of marketing for the group, says CARQUEST continues to expand through the acquisition of technology and in specialized markets. Both of those areas strongly position the company for future growth, he says.



P.O. BOX 26929
RALEIGH, NC 27611-6929
(919) 573-2500
FAX: (919) 573-2501
www.CARQUEST.com

Driver FX

PRESIDENT: Bob Vor Broker
YEAR ESTABLISHED: 2000
WD MEMBER: 1
MEMBER-OWNED WAREHOUSES: 3
MEMBER-OWNED JOBBER STORES: 24
NON-MEMBER-OWNED JOBBER STORES: 400
TOTAL JOBBER STORES IN THE PROGRAM GROUP: 424
MEMBER-OWNED SERVICE CENTERS: 0
NON-MEMBER-OWNED SERVICE CENTERS: 0
TOTAL SERVICE CENTERS IN THE PROGRAM GROUP: 0
STATES COVERED: All 50
MAJOR MEMBERS: Not provided
GROUP STRUCTURE: Not provided

JOBBER REQUIREMENTS: Must be a legitimate business with a storefront for walk-in traffic
WD REQUIREMENTS: Not provided
RETAIL: Not provided
WHOLESALE: Not provided
PRIVATE LABEL: Not provided
MAJOR BRANDS: Not provided
PROGRAMS: Monthly sales materials — flyers, window posters, shelf cards, catalogs, mailing programs; consumer give-away promotions; national advertising; consumer and trade show presence; e-commerce site; dealer locator member service; national race sponsorship and more

FEE REQUIREMENTS: Monthly payment ranging from \$75 to \$412.50, depending on program level chosen

The DriverFX Program saw good growth in 2004 on the West Coast. The company looks to 2005 for more growth in the Midwest and West Coast. There have been many new membership benefits added to the program for 2005.



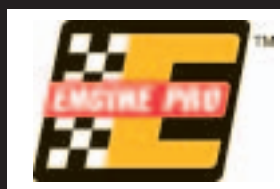
44 TUNKHANNOCK AVE.
EXETER, PA 18643
(570) 603-2752
www.driverfx.com
www.key-stone.com

Engine Pro/Engine Parts Group, Inc.

PRESIDENT: Gregory L. Dunlap
YEAR ESTABLISHED: 1989
WD MEMBERS: 13
MEMBER-OWNED WAREHOUSES: 33
MEMBER-OWNED AUTOMOTIVE JOBBERS/MACHINE SHOPS: 0
NON-MEMBER-OWNED AUTOMOTIVE JOBBERS/MACHINE SHOPS: 9,200
TOTAL AUTOMOTIVE JOBBERS/MACHINE SHOPS SERVED: 9,200
MEMBER-OWNED ENGINE REBUILDERS: 0
NON-MEMBER-OWNED ENGINE REBUILDERS: 6,000
TOTAL ENGINE REBUILDERS SERVED: 6,000
STATES COVERED: All 50
MAJOR MEMBERS: Not provided

GROUP STRUCTURE: Equally owned by 13 independent distributor members
FEE REQUIREMENTS: Not provided
JOBBER REQUIREMENTS: Not provided
WD REQUIREMENTS: Not provided
RETAIL: 0%
WHOLESALE: 100%
PRIVATE LABEL: 5%
MAJOR BRANDS: 95%
PROGRAMS: National engine warranty; national parts finder; motorsports affiliation; and other sales, marketing and promotional programs

Engine Pro/Engine Parts Group is an engine parts specialty distributor network servicing over 15,000 direct customer accounts, including machine shops, engine rebuilders and automotive jobbers. The group's 2005 focus is on continued expansion of its private label products program, including a new line of performance engine parts: Engine Pro Performance.



4891 INDEPENDENCE STREET
SUITE 155
WHEAT RIDGE, CO 80033
(303) 424-3200
FAX: (303) 424-4999
www.enginepro.com

Federated Auto Parts Distributors

CEO: Rusty Bishop
PRESIDENT: Gene Jeffries
YEAR ESTABLISHED: 1985
WD MEMBERS: 84
MEMBER-OWNED WAREHOUSES: 155
MEMBER-OWNED JOBBER STORES: Not provided
NON-MEMBER-OWNED JOBBER STORES: Not provided
TOTAL JOBBER STORES IN THE PROGRAM GROUP: 3,800
MEMBER-OWNED SERVICE CENTERS: Not provided
NON-MEMBER-OWNED SERVICE CENTERS: Not provided
TOTAL SERVICE CENTERS IN THE PROGRAM GROUP: 2,700
STATES COVERED: All 50
MAJOR MEMBERS: Associate Jobbers Whse., Berrodin Company, Cold Air Distributors, Fisher Auto Parts, KOI Whse., Pat Young Service Co., Rasco Parts Whse., United Auto Supply, Woodbury Automotive Whse.

GROUP STRUCTURE: Board of directors are elected and serve one-year terms
FEE REQUIREMENTS: Not provided
JOBBER REQUIREMENTS: Not provided
WD REQUIREMENTS: Not provided
RETAIL: 20%
WHOLESALE: 80%
PRIVATE LABEL: 25%
SHARED LOGO: 60%
MAJOR BRANDS: 15%
PROGRAMS: Discount pricing; computerized parts ordering; obsolete parts program; inventory management; Federated Car Care Installer Program; signage; POP displays; Technician's Diagnostic Hotline; business seminars; print, radio & TV advertising; credit card program; warranty programs; shop layout/design; employee uniforms; shared logo lines; private label lines; specialty items; clinics; truck signage

Federated plans to focus on what it feels brought it growth in 2004, says Federated CEO Rusty Bishop. "These projects include Federated CarCare and Installer Business Management System, education and training for the jobbers and installers, national advertising and marketing programs, as well as expanded motorsports involvement," he says.



P.O. BOX 2248
STAUNTON, VA 24402
(540) 885-8460
FAX: (540) 885-7612
www.federatedautoparts.com

Independent Warehouse Distributors

CEO: Bruce Tavik

YEAR ESTABLISHED: 1985

WD MEMBERS: 100
MEMBER-OWNED
WAREHOUSES: 100

MEMBER-OWNED JOBBER STORES: 800
NON-MEMBER-OWNED JOBBER STORES: 800
TOTAL JOBBER STORES IN THE PROGRAM GROUP: 1,600

MEMBER-OWNED SERVICE CENTERS: 0
NON-MEMBER-OWNED SERVICE CENTERS: 20,000+
TOTAL SERVICE CENTERS IN THE PROGRAM GROUP: 20,000+

STATES COVERED: All except Alaska, Hawaii, Miss., Mont., N.D., S.D., Wyo.

MAJOR MEMBERS: Not provided

GROUP STRUCTURE: Governed by an 11-member board; managers serve staggered three-year terms; operated as a nonprofit business; owned by membership

FEE REQUIREMENTS: None
JOBBER REQUIREMENTS: Affiliated exclusively with the Auto Pride program
WD REQUIREMENTS: Affiliated exclusively with IWD

RETAIL: 10%
WHOLESALE: 90%
PRIVATE LABEL: 10%
MAJOR BRANDS: 90%

PROGRAMS: Auto Service Experts program; Auto Pride marketing program; technical and managerial training; maintenance-minded direct mail letter; Auto Pride Credit Card program; signage and wear-able program; leasing program; product warranty program; on-hold message CD program; installer website; Auto Service Experts newsletter; business forms; private label programs

Bill Burns, executive administrator, says "prompt, monthly rebate payments and outstanding installer marketing programs" were IWD's main influences in 2004. IWD will continue to provide marketing programs for independent repair shops looking to compete with national chains. In 2005, Auto Pride marketing will focus on "raising the bar" of best business practices among its repair shops.



182 WINCHESTER AVE.
NEW HAVEN, CT 06511
(800) 243-4934
FAX: (203) 865-1819
www.autopride.com

National Automotive Parts Association

PRESIDENT: Bob Susor

YEAR ESTABLISHED: 1925

WD MEMBERS: 2
MEMBER-OWNED
WAREHOUSES: 64

MEMBER-OWNED JOBBER STORES: 1,000
NON-MEMBER-OWNED JOBBER STORES: 5,000
TOTAL JOBBER STORES IN THE PROGRAM GROUP: 6,000

MEMBER-OWNED SERVICE CENTERS: 0
NON-MEMBER-OWNED SERVICE CENTERS: 13,000
TOTAL SERVICE CENTERS IN THE PROGRAM GROUP: 13,000

STATES COVERED: All 50

MAJOR MEMBERS: Genuine Parts Co., Quaker City Motor Parts

GROUP STRUCTURE: Board of directors

FEE REQUIREMENTS: Varies
JOBBER REQUIREMENTS: Full line jobbers only

WD REQUIREMENTS: Not provided

RETAIL: 20%
WHOLESALE: 80%
PRIVATE LABEL: 90%
MAJOR BRANDS: 10%

PROGRAMS: In-store design and merchandising; counterpersonnel training/certification; technology services; dealer merchandising programs and clinics; advertising; inventory management; obsolescence protection; preferential billing terms; specialty items (caps, pens, key chains); employee uniforms; market research; seminars; tapes and films; extended product warranties; group insurance plans; financial assistance/loans; private label lines

NAPA's commitment to key growth initiatives led to improved results for the year. Ongoing initiatives like wholesale business, major accounts, technology and connectivity, specialty markets and new distribution and store experience will generate more growth in 2005. NAPA will focus on service capabilities, product offerings and detailed understanding of the auto parts business.



2999 CIRCLE 75 PARKWAY
ATLANTA, GA 30339
(770) 956-2200
FAX: (770) 956-2201
www.NAPAonline.com

National Pronto Association*

PRESIDENT: Bill Maggs
CHAIRMAN: John Cousins

YEAR ESTABLISHED: 1978

WD MEMBERS: 74
MEMBER-OWNED
WAREHOUSES: 122

MEMBER-OWNED JOBBER STORES: 587
NON-MEMBER-OWNED JOBBER STORES: 852
TOTAL JOBBER STORES IN THE PROGRAM GROUP: 1,439

MEMBER-OWNED SERVICE CENTERS: 151
NON-MEMBER-OWNED SERVICE CENTERS: 1,200+
TOTAL SERVICE CENTERS IN THE PROGRAM GROUP: 1,351+

STATES COVERED: All states except Alaska, Ark., Del., La., Miss., Mont., Nev., N.M., N.C., Okla., S.C., Va., W.Va., Wyo.

MAJOR MEMBERS: For a full listing of Pronto members, visit www.pronto-net.com.

*RPM Group merged with National Pronto Association. These numbers represent both groups.

GROUP STRUCTURE: Members elect executive board of directors to three-year terms. There are additional committees for Product & Marketing and Computer & Technology.

FEE REQUIREMENTS: Varies
JOBBER REQUIREMENTS: Varies
WD REQUIREMENTS: Varies by WD and programs offered

RETAIL: 30%
WHOLESALE: 70%
PRIVATE LABEL: 10%
MAJOR BRANDS: 90%

PROGRAMS: National warranty; Car Care One credit card; roadside assistance; rental car; consumer direct marketing; unlimited tech time; ASE reimbursement; smart choice rewards; training; MSDS resources; catalog resources; technical resources

Michael Mitchell says consolidation in the industry moved RPM Group to consider joining forces with a like-minded group. "After careful study we found a willing partner in Pronto." The groups joined on March 26, 2005. "We will work to adopt the best practices and programs of both groups, and to bring the two groups' members together to speak with one voice."



3575 LONE STAR CIRCLE
SUITE 430
JUSTIN, TX 76247
(817) 430-9449
FAX: (817) 430-9559
www.pronto-net.com

TruStar

CEO/PRESIDENT: Steve Upton

YEAR ESTABLISHED: 1987

WD MEMBERS: 115
MEMBER-OWNED
WAREHOUSES: 300

MEMBER-OWNED JOBBER STORES: Not provided
NON-MEMBER-OWNED JOBBER STORES: Not provided
TOTAL JOBBER STORES IN THE PROGRAM GROUP: Not provided

MEMBER-OWNED SERVICE CENTERS: Not provided
NON-MEMBER-OWNED SERVICE CENTERS: Not provided
TOTAL SERVICE CENTERS IN THE PROGRAM GROUP: Not provided

STATES COVERED: All 50

MAJOR MEMBERS: AB&S, S&A Distributing, U.S. Tire & Exhaust, Brake Parts Supply, Frank Supply Co., Full Line Exhaust, Monroe Service Corp., National Whse., Brake Supply Plus, Prime Products, Motorcade Industries

GROUP STRUCTURE: Consists of members strategically located throughout the U.S. and Canada that head the Steering and Marketing committees.

FEE REQUIREMENTS: Not provided
JOBBER REQUIREMENTS: Not provided
WD REQUIREMENTS: Not provided

RETAIL: 30%
WHOLESALE: 70%
PRIVATE LABEL: 50%
MAJOR BRANDS: 50%

PROGRAMS: Installer's Choice Marketing Program

This year, TruStar will be launching its Master Brake Catalog, Distribution Center and its TruNet Electronic Data Interchange System that will further help the growth of TruStar and its membership. TruStar CEO and President Steve Upton says the TruStar brand "really took off in the past year" and he expects the same in the coming year.



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FAX: (281) 485-4101
www.trustarinc.com