



AMN Executive Interview: Daniel Schildge, President Of CRP Industries

By Amy Antenora

October 6, 2014

Daniel N. Schildge is the president of CRP Industries Inc. He was appointed to the position in July 2008, after serving in a variety of capacities with the company, including COO. In this role, Schildge is directly responsible for the strategic and tactical management of CRP Industries and accountable for the development and implementation of the company's infrastructure, including all systems, processes and personnel. In today's interview, Schildge talks about the company's 60th anniversary and the keys to the CRP's long-term growth and success.



CRP is celebrating its 60th anniversary this year. What is the company doing to commemorate this milestone?

Our plan for this year has been to celebrate our 60 years of growth and success as a team while we also make sure we are looking to the future to ensure that we are around for the next 60 years. We will hold an internal celebration in mid-November, after we get back from AAPEX. This will give some time to reflect on our success and everything we should be grateful for. We have been very fortunate to have great customers, supplier partners and employees over the years. It is very important to us to acknowledge the long-term relationships/partnerships that have helped us get to this point. Many of our partnerships go back to the company's inception. From key suppliers such as ContiTech, Pentosin and Ajusa, to a long list of well-known wholesale distributors and OEMs, all have played an important part in the CRP story. We are also very proud of the fact that we have a number of employees who have been with us for more than 30 of those 60 years.

Remaining successful in this industry for 60 years is quite an achievement, especially when you consider some of the challenges the aftermarket industry has faced over the past few decades. What are the keys to CRP's continued growth and success?

Getting to 60 years took a lot of hard work by a lot of great people, a supporting vision that could evolve through the years, and a commitment to our core values of quality, service and trust. We also had to be flexible when things needed to change. Whether that change came from a supplier, a customer, or the industry, we have always been able to identify it and manage it successfully.

We also maintain a consistent focus on our strategy of providing the highest quality brands and OE parts that the professional repair technicians love. We make sure that our professional repair technicians get the right tools, knowledge and parts to do the job right the first time, and on time.

We work in a transparent and truthful manner with a commitment to excellence in everything we do within our community of customers, suppliers and employees, so they can perform at their very best. And finally, we never overlook the need for sustainability and make our decisions from a long-term perspective.

This past year, CRP was ranked in Inc. Magazine's prestigious Inc. 5000 List. To what do you attribute the company's strong pattern of growth in recent years?

We made the INC. list at the end of 2012 because we were one of the fastest-growing private companies from 2010 through 2012. I attribute this and our ongoing growth to several key factors: The right expertise at the right time, strong partnerships, quality brands, good people and continuous improvement.

Our expertise in import parts comes at an ideal time in the aftermarket as the car park continues to shift towards import vehicles. This puts us in an excellent position to help our distribution partners increase market share. We have established strong partnerships with some of the best distributors in the industry and have built a level of trust with them by delivering high-quality products and supporting them with excellent customer service. We offer an exceptional portfolio of brands, Pentosin, ContiTech, Ajusa, and Rein Automotive, which are respected and loved by professional repair technicians.

CRP has a very unique position in the marketplace. Could you please give AMN readers a quick breakdown of the company's four-brand strategy and role in the market?

We started as a master distributor with Continental in 1954. Today, we partner with several European OEM manufacturers and function as their NAFTA market sales, marketing and logistics arm. Our four-brand strategy includes ContiTech, Pentosin, Rein, and Ajusa. We have helped build these brands over the years. They are trusted and in-demand by professional repair technicians.

Our commitment to provide the highest OE-quality parts is a keystone of CRP and part of our DNA. A key strength of CRP is product management for the NAFTA market. Our intimate understanding of the market ensures we offer brands and products that meet the needs of professional repair technicians. An important point of difference for CRP is our innovative approach in developing kits that provide professional repair technicians with all the parts they need to successfully do a complete repair. Our CRP ContiTech Pro Series timing belt kits and the Rein Automotive coolant hose kits are excellent examples of this specialty.

Does CRP consider itself a global company or primarily a North American business and why? Please tell us about the company's distribution footprint.

We are a global company from the supply side and a North American company from the market side. Because our partners are located worldwide with manufacturing plants located in many countries, we need to maintain a strong global business skill set to effectively and efficiently source from them. From a market-served point of view, we primarily focus on the NAFTA market with distribution points in the U.S., Canada and Mexico. We have subsidiaries in Mexico and Canada, which is important because a local market presence there allows us to effectively address the specific needs of that market without trying to make a U.S.-based model work.

Over the past 60 years, CRP has been involved in a number of joint ventures with European OEMs, typically driven by an opportunity to better serve the market and customers. We also work with many of the top distribution outlets in North America to serve the professional repair technician and DIY markets.

Talk to us about your marketing strategy for the brands in the CRP portfolio.

There are four brands in our portfolio. Three of the brands, ContiTech, Pentosin and Ajusa, are partnerships with the European manufacturers, while the fourth, Rein, is our own proprietary brand. Our key strategy is to make sure our customers are aware that CRP Automotive is the company behind all of these brands in the NAFTA market. Many repair technicians know the brands we offer, but we want them to know that CRP Automotive is also a dependable conduit for their technical, sales, marketing and logistical needs.

We want them to know that we are committed to delivering the highest quality in OEM and OE-equivalent replacement parts in the most efficient way possible. We believe building a relationship with the professional repair technicians is vital for delivering an offering that meets the needs of the market. Repair technicians tell us what works and what doesn't, and what would make their lives easier. It's critical to be in tune with them. For example, our very successful Pro Series Plus timing belt kit program was originally conceived from technician feedback that suggested adding a water pump and hydraulic damper to the purchase of a timing belt and tensioners.

Having served in your role as president of CRP for some time now, what do you see as some of the most significant challenges and opportunities facing suppliers, and CRP specifically, today and going forward?

Working capital requirements pose a significant challenge when you're supplying automotive parts to an ever-changing market. We support a very large SKU offering, so we constantly face tough demands on our inventory on-hand. Another challenge comes from extended payment terms that are creating a very difficult situation for all levels of the distribution channel.

Technological shifts are making it harder for the independent repair technician to compete, which makes the delivery of technical content and information to support them even more vital. We also have to be careful with the race to the price bottom on parts, especially those with technical and safety consequences. We feel very strongly that short cuts on quality in favor of price can severely impact part reliability and performance. At CRP, we realize that our products will not appeal to a certain segment of the market because of our commitment to quality and the supporting price that is required. We are okay with that because our focus is on the customer that is committed to quality and doing the job right, the first time.