



## Executive Interview with Michael Palm, Vice President of Marketing and Sales, CRP

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*Michael Palm is vice president of marketing and sales at CRP. He initially began his career at CRP in 1986, but left the company to take a position as director of worldwide marketing at Berlitz, an international leader in language instruction. In 2005, he returned to CRP and has been responsible for managing all marketing and sales aspects of CRP's businesses in both the automotive and industrial sectors. In today's Executive Interview, Palm brings us up to speed on CRP's integration of the AJUSA brand into its product portfolio over the past year; and also talks about product trends such as the increasing popularity of timing belt kits.*

### **Around this same time last year, CRP announced the addition of AJUSA to its brand offerings. How's business since adding the brand to your portfolio?**

We've made excellent progress integrating AJUSA into our current offering and are running ahead of expectations. All the key functions of inventory management, cataloging, marketing, sales and customer service are in place, along with a marketing and sales support program that includes a distributor tool kit, website, brand awareness building, social media and sales training materials.

We employed a phased launch strategy where we transitioned existing AJUSA Spain customers over to our service offering. This went very smoothly, and we are adding new distribution for the AJUSA brand, leveraging existing CRP customer relationships and the synergy of our three other brands. There is a lot of market excitement about the brand.

While our strategic partnership with AJUSA is just a year old, our participation at AAPEX this year caps off 12 months of some very strong foundational building for the program. To say the least, we've been busy. We re-cataloged more than 1,400 parts for Asian and European applications for current Epicor and WHI e-catalogs and have an additional 1,600 parts waiting in the wings for the application research process to be completed.

We conducted extensive competitive benchmarking to ensure that we are offering the highest quality and competitive pricing for "like" products for an import-oriented gasket program. In many of our gasket sets, we found that the AJUSA brand offers a more complete gasket kit, including more gaskets and hardware.

We have also strived to be first-to-market with a number of dealer only parts. This helps our distributors offer the most up-to-date program of gaskets and head bolts. And, we recently launched the most extensive European and Asian vehicle torque/stretch head bolt program available in the market, offering 45 more head bolts than our closest competitor.

In developing the AJUSA line, we continue to ask service technicians what's important to them and how we can make their life easier. This research/insight will help us to ascertain and determine what the market needs in head gasket sets and head bolts as well as a variety of other problem solver parts. At AAPEX, we will be introducing a new product, head gasket kits packaged together with head bolts. We are very excited about this new product because it originated from market feedback from service techs.

### **Tell us where and how AJUSA fits in with CRP's other three brands: ContiTech, Rein Automotive and Pentosin.**

The AJUSA brand helps create two immediate marketing benefits for CRP. The product line, which includes head gaskets and gasket sets, valve cover gaskets and sets, intake and exhaust gaskets, cylinder head bolt sets, hydraulic lifters and silicone sealant for Asian and European applications, provides us with an excellent product line extension for underhood/engine management products and complements existing CRP product categories for the import market. It is also an ideal fit with our brand management philosophy - namely, OE-quality product supported with the outstanding customer service CRP provides. From our point-of-view, it is extremely important that any brand we offer must be able to live within the same space as the ContiTech, Rein Automotive and Pentosin brands. Those brands represent the highest OE-quality within their given product categories. The same is true with the AJUSA brand.

When we initially analyzed AJUSA, we saw that their values of tradition, loyalty and high quality standards match perfectly with CRP's value attributes of quality, service and trust. CRP's 50-plus years of success has been aligned with partners that have a shared vision and value set. AJUSA, as a leading international manufacturer of gaskets and gasket sets since 1972, with distribution in more than 70 countries and a complete program of more than 10,000 parts, is an ideal match with CRP.

### **CRP was among the first in the industry to begin offering timing belt kits (for the ContiTech brand), which have been regarded as a bit of a 'game-changer' in the industry. Tell us about the kits and their value in the marketplace.**

Our goal on the timing belt kit category is to provide the professional repair technician with the most complete kit possible to meet all the needs of a timing system job. We also understand that the market wants options, thus requiring some flexibility. The introduction of the ContiTech Pro Series timing kits over four years ago was driven by feedback from service technicians. These kits were primarily focused on timing systems, which also drove the vehicle's water pump. In the past, the technician would have to source the timing belt, which often came in a kit that included the tensioner and idler, separate from the water pump and the hydraulic damper. Sometimes the hydraulic damper was only available through the dealer, so you can see the dilemma and the extra steps that had to be taken. Our Pro Series kit puts all these parts in one SKU, resulting in significant time-savings on the parts look-up and the cost estimation stage for the shop.

Because we continued to listen to the technicians' needs, we also developed our ContiTech Pro Series Plus kits, which include any camshaft and balance shafts that may be required. We also have kits that offer technicians a choice based on their preference, such as a water pump with a metal impeller instead of the OE plastic impeller design or even water pumps with the mounting housing attached.

And, since we are focused on providing only OE-quality components in our kits, we can provide an innovative and exclusive mileage guarantee that is identical to the car manufacturers original change interval. We stand behind our product.

### **When it comes to product innovation, what's next in terms of improving efficiency in the service and repair environment?**

We are excited about two specific product innovations, which have been driven by feedback from professional repair technicians. Both of these products aim to provide a "complete" solution for a specific repair or service job.

First, we will be introducing ContiTech Accessory Drive tensioner kits at

the AAPEX show. These kits include the serpentine belt(s) and supporting accessory drive tensioner(s) and idler(s) as well as any hardware needed to complete the repair job. One important point to note is that our kits will contain all the parts needed to do a “complete” repair job. Thus, if there are two belts, two tensioners and an idler, the kit will contain all of these parts. Everything the professional repair technician expects from a ContiTech branded kit is there – all the required parts, OE-quality components and reduced parts look-up time and hassle.

Second, we will be introducing the AJUSA complete head gasket kit for Asian and European applications, which feature head gasket sets and cylinder head bolts that I mentioned earlier. Today, the market offers the head gasket set separate from the cylinder head bolts. The reality is that when repairing a head gasket on a modern engine, you will also need to replace the cylinder head bolts as most of these bolts are “torque bolts”, which are designed to be used only once and cannot be re-used.

At the heart of CRP’s product management efforts is the voice of the shop, the repair technician. We solicit feedback constantly and aim to meet their needs within the brands and product categories we offer. The

consistent message we hear from the customer is [about] the limited amount of time they have to manage their business, diagnose and repair vehicles and manage their distributor relationships. We are ready to do anything we can as a supplier to the industry to help them become more efficient, effective and profitable.

**Earlier this year, CRP retooled its sales team to better serve its customer base. What was involved and how has the change improved your service offerings for customers?**

We consolidated our sales management into two customer groups, OE and independent aftermarket. This alignment provides focus on our specific go-to-market strategies for these two customer groups within the sales organization structure. The needs of these groups vary and require different account management strategies. We also added a new key account manager to allow for personnel shifts. This position has proven to be a very important hire for us. By focusing our resources accordingly, we are ensuring each customer is being served appropriately and consistently.

