

Award Notification

Award Title: 'Aftermarket Company of the Year 2008'

Logotype



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Birmingham 26th August 2008 – The aftermarket sector is a crucial component of the automotive industry as a whole, encompassing as it does all the services a vehicle may require after leaving the manufacturer – that is, parts supply, repair and servicing. The sector thus incorporates a wide variety of companies: tyre specialists, fast-fit centres, independent garages and, of course, vehicle manufacturers such as Volkswagen. Consumers shunning new vehicles are faced with the task of maintaining their existing cars – meaning that they must call upon aftermarket companies to provide parts, accessories and support services.

The Institute of Transport Management has conducted a long-term, in-depth investigation into the services on offer in the aftermarket sector in order to identify and reward those companies which are providing sterling support to the motoring public and the UK automotive industry. It is with great delight that the Institute announces the accreditation of Volkswagen Group UK as 'Aftermarket Company of the Year 2008', following on from its recent success in winning 'Best OE Parts Supplier 2008'.

The automotive parts industry is facing growing competition from an increasingly well developed parallel 'spare parts' industry generating competition from 'low cost'

countries as well as manufacturers' own suppliers. Original Equipment Manufacturers (OEMs) are outsourcing components, meaning that a greater volume of 'genuine' spare parts are being produced by third parties. However, the convenience of this arrangement comes at the cost of control; OEMs cannot exert the same influence over these suppliers as over in-house divisions. Thus, it is imperative for OEMs to secure their own parts distribution channel direct to the dealer or repair shop.

Volkswagen Group UK has stolen a march on other companies in the aftermarket industry by setting up a supremely well organised UK-wide network of 57 TPS (Trade Parts Specialists) Centres. These TPS provide a complete one-stop, five-brand OE parts solution on a local basis for repairers of Audi, SEAT, Škoda and Volkswagen Passenger Cars and Commercial Vehicles. The network was assembled through a detailed selection process designed to identify operators which have the ethos and expertise to match Volkswagen's requirements for the highest standards of service.

The TPS network is fully trade-orientated, from the staff and the premises to the systems, the stock, and the pricing. In particular, each Centre's stockholding is geared toward the local trade, with supply tied into demand through an automatic, overnight replenishment operation. A bespoke, real-time Trade Parts Management System (TPMS) is used to monitor service quality at individual Centres and across the network. This allows complete control over stock holding, special offers, logistical resources and other aspects of the TPS operations. Furthermore, Volkswagen runs a long-term price watch programme to enable the delivery of highly competitive parts pricing and promotion. The company also pays careful attention to personnel management, operating a reward scheme known as TPS Heroes as an extra incentive for staff at the Centres to maintain exceptional standards of product knowledge and customer service.

Commenting on the ITM's decision to bestow the 'Aftermarket Company of the Year' Award on Volkswagen, Mr. Sheedy, Media & PR Director for the Institute, said: "Volkswagen is leading the way in the challenge to set up a robust supply chain for automotive parts in response the parallel industry which has sprung up over the last few years. However, the company not only stands head-and-shoulders above other

OE parts suppliers in this respect; it represents a beacon of high standards in the aftermarket industry as a whole. With the help of its TPS scheme, Volkswagen is providing accessible, high quality yet affordable vehicle aftercare. It is with this in mind that the Institute honours Volkswagen not only with the 'Best OE Parts Supplier' accreditation but the 'Aftermarket Company of the Year' Award for 2008. This double victory underscores Volkswagen's preeminent position in the automotive industry, which has been achieved through the dedication of its employees and the clarity of its leadership. It is with great pleasure that I welcome such a leading light to the Institute's Awards table and with great anticipation that I look forward to witnessing the company's achievements in the future."

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