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# Polish INDEPENDENCE

Moto-Profil President Piotr Tochowicz epitomises the best qualities of independence and leadership. Just don't call him a 'leader'.

WORDS **ADRIAN FLORES** • IMAGES **MOTO-PROFIL**

**A**cross the 45,000-square-metre precinct that makes up the headquarters of Polish auto parts distributor Moto-Profil, it is evident the workers enjoy being there. "It feels like a fast-paced environment, but people are doing their own thing," says Moto-Profil President Piotr Tochowicz. "They are not pressured and they know what they are doing. They are doing it in a professional way, but they seem happy. They seem to enjoy what they are doing."

The most obvious sign of this is the lack of tension in the air – the sense of, 'Watch out! The big boss has arrived!' To Piotr, he is not "this special guy". "I'm not a leader. I'm just a normal guy," he says. "The leadership that I'm trying to do is based on the thinking that I'm a normal guy."

Contrary to many business-owners who trot out the 'family' cliché, Piotr refers to the idea of family in a business management context as "stupid". However, he does his best to ensure the workspace in Chorzów, 90 kilometres from Kraków, Poland, is nice and comfortable for the workers, most of whom know him on a first-name basis. »









## Automotive aftermarket partners: Individually strong, unbeatable as a team

The bilstein group unites prestigious product brands under a single strong roof: febi, SWAG and Blue Print offer more than 55,000 different spare parts for passenger cars and commercial vehicles.

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## Manufacturing competence since 1844 - The licence for exceptional products

A key strength of the bilstein group is the production know-how. The production facility in Germany reflects the high quality standards embedded throughout all group functions.

In order to guarantee a consistent quality, the machinery is constantly modernised, including the bilstein group's own testing facilities, for serial products delivered by and to international partners.

“You have to be prepared for a hell of a lot of risks and a lot of work. For people who have ambition and want to achieve something special, that is an important lesson.” The lesson of hard work was already ingrained in Piotr by then. During a student vacation in London in 1976, he was earning a living in construction in the black market, converting old Victorian houses into flats. “The rooms were around five metres tall and the heating was awful, so we made special roofs that were not as high. It was very tough work,” he remembers.

Piotr's first solo venture was in 1983, a business making screw automats for Polish train and electronics companies. Soon after, he began trading in colour metals, shop equipment and shop furniture. “They were made with the help of German partners. The furniture was fantastic and we sold it using big trucks weekly. It was a very good business,” he recalls. In addition, Piotr also ran a small network of grocery stores that were very successful.

It was not until 1990, barely a year after the fall of the Iron Curtain, that Piotr had his first encounter with automotive spare parts. “So many cars were coming from abroad, and there was no possibility of having enough spare parts for them, because the cars were in a rather bad state – very old and used – from Germany, Holland and France,” he says. “We understood then that there was a market for spare parts, and for a good car garage and good mechanics.”

But it was the moment that Piotr crossed paths with two sales representatives from Monroe Shock Absorbers that would change his life for good. “They wanted us to be one of the six distributors of Monroe in Poland. We said, ‘Of course! Yes!’” Piotr realised he could kickstart a distribution network without the need to commit to major capital expenditure with money that he simply did not have.

“The biggest problem for us was finance,” he says. “From the beginning, we started making great sales, but great sales means you need more stock, and to have more stock you need more money.” »

## Facts and figures

**250**

**brand-name suppliers**

**45,000**  
square metres of storage space

**€60**

**million worth of stock**

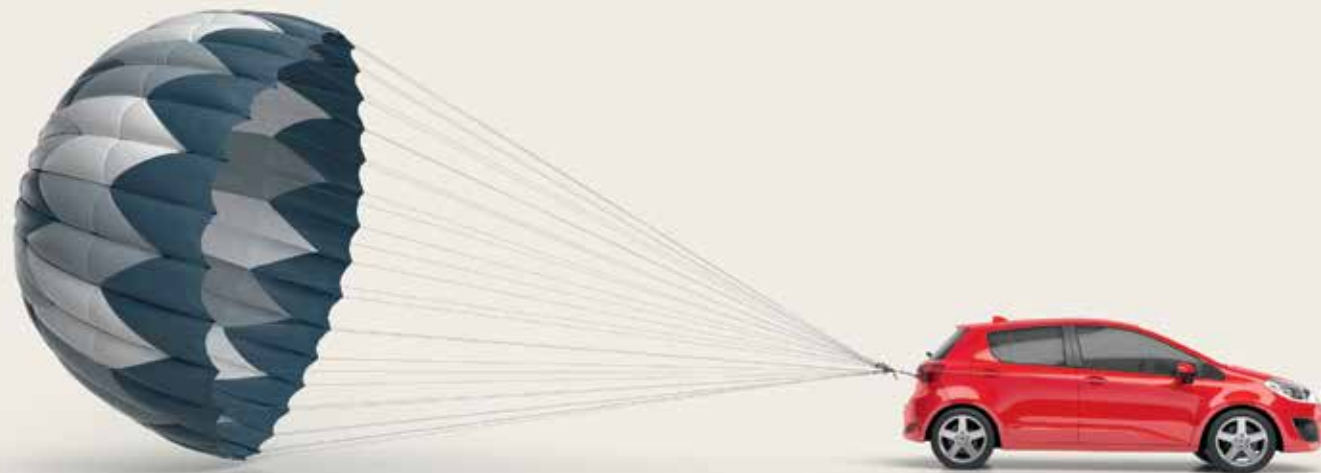
**1,300**  
wholesale companies supplied, both in Poland and abroad

**15,000**  
service shops supplied

**650**

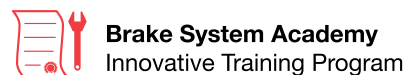
**employees**

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“What I have learned from my experience is that you need to observe and adapt to what is coming.”

Auto parts manufacturers Schaeffler, NGK, GKN and Reinz soon followed. Then and there, Piotr decided to narrow his focus to automotive spare parts. With his friend and business partner, and today Vice-President of the Board, Leszek, who continues to work alongside him to this day, Piotr did away with all the other businesses – furniture, colour metals, grocery stores. In 1993, Moto-Profil was born.

#### MAKING HISTORY

When Moto-Profil opened its doors, it was only four years after the fall of Communism, and Nobel Peace Prize laureate Lech Walesa was the country's president. Piotr remembers something Walesa said that has since guided his approach to decision making.

“He said something like, ‘You know, I’m always asking for advice. In my experience with these scientists and these economists, when we are thinking about some problem, I’m making a decision after three minutes, and they are making the same decision after three years,’” Piotr recounts.

“Our lives are going like a space rocket. You can’t make a slow decision. You have to make it very fast. If you do something fast, even if it’s not very wise, sometimes it works better than a decision that is very wise but is slow.”

It turns out that such quick decision making is working out quite handily. The growth of Moto-Profil has been nothing



short of meteoric. In 2000, it had a revenue of €5.4 million. In 2007, that figure grew by more than 10 times that amount to €65 million. Last year, revenue was at €210 million.

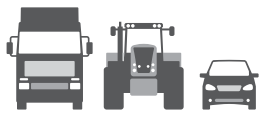
Such success has not gone to Piotr's head. He knows he has been through too much in life to assume something like that could last forever. “Don't think that you always have it right, that you are wise and smart, because it's not true,” he says. “You can always make mistakes and you can always make some silly moves. This is very important, and therefore I've got these mirrors in my employees and my friends.”

Moto-Profil is the only one of the six original distributors for Monroe Shock Absorbers in Poland still operating today. Asked why that might be the case, Piotr says he thinks it's due to the company's ability to adapt to change. “Because things are constantly changing around the business, the business itself can't remain the same. What I have learned from my experience is that you need to observe and adapt to what is coming,” he says.

On the flip side, Piotr also believes a lack of will on the part of the other distributors to adapt to change may have been a factor. “They thought that if they could focus purely on the one product that was going »



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*Moto-Profil was awarded the Forbes Diamond Award, which recognises companies with the fastest rise in value, for seven consecutive years – from 2009 to 2015.*

well and specialise in it, they could start monopolising the market. But if a company starts to monopolise a market, another competitor is going to come along and challenge that monopoly,” he says.

“The five other distributors of Monroe would stay put and wait for the customers to come because they just wanted to stay in one market hoping to become a monopoly. But we were different. We worked in other businesses and we knew that we needed to aggressively pursue other markets.” Starting with shock absorbers, Moto-Profil then moved on to full suspensions and, after that, brake pads.

#### LESSONS IN PARTNERSHIP

Seven years into the life of Moto-Profil, Piotr thought he had learned enough about human behaviour to successfully run a business. But in 2000, more lessons were to come. He met a couple of businessmen, Frans Van Heck and Adriaan Roggeveen, who wanted to form a strategic partnership. Both were partners in Van Heck, a leading Dutch auto parts firm at the time. Moto-Profil needed extra support, while Van Heck had plans to move into the Polish market.

“Because we had some problems with some of the technical parts of our company, we sold them 25 per cent of Moto-Profil, not for money but for the tools, equipment and infrastructure.”

The partnership did not last, but Piotr calls it the most important experience in his

career, where he first learned about the importance of efficiency. “In this crazy world where the margins are going down, the prices are going down, efficiency is the god of our business. If you boil it down, it essentially means not spending money on stupid things,” Piotr says. “It is important that we create systems where our guys at all levels of the business are thinking about our costs, our efforts, about people and systems management. This is very important.”

Being Moto-Profil’s first foray into Western Europe, he also learned that, despite having preconceived notions of the region, business culture wasn’t that much different to the Eastern side where he has spent his entire life. “I always thought that immorality, thievery and cheating were on our side of the Berlin Wall, and on the other side there was efficiency, solidarity and trust,” says Piotr. Adriaan responded to this remark with a big dose of reality. “He said, ‘Piotr, don’t be stupid. People are the same everywhere.’”

At some point during the partnership, Piotr realised that the business path Van Heck wanted to take was vastly different to Moto-Profil’s. Van Heck wanted to become a big company, while Moto-Profil wanted to remain a Polish independent. “Van Heck was only doing business with the wholesalers, the jobbers, and not selling to the small garages. They had 50 to 80 wholesalers, rather big firms,” explains Piotr. “The most important thing for us was to have branches closer to our target market. If there is an opportunity to buy a branch, we will buy it. Either way, it’s in our best interests because we’ll be closer to the customer.”

Further, Piotr realised that Moto-Profil’s customer base was not providing the amount of business that Van Heck was after. “After two years of the partnership, it wasn’t so easy to make business with these guys from Holland because they wanted the results; they wanted the money,” he says. Waking up to the differences in values and direction, »





## THE PROFIAUTO RELATIONSHIP

Moto-Profil has a close partnership with ProfiAuto, a network bringing together the largest wholesalers, the best automotive shops, and the most active car service centres in Poland, the Czech Republic and Slovakia. It also offers intensive business, IT, promotional and training support.

Every year, the ProfiAuto Show is one of the biggest automotive fairs in Poland, bringing both industry professionals and car enthusiasts under one roof. In 2017, the fourteenth ProfiAuto Show took place at the International Congress Center in Katowice. The event held more than 100 workshops dedicated to the nation's mechanics and car workshop owners, with around 140 exhibitors.

Highlights of the show included the introduction of the new *Yanosik* app. The app provides users with the ability to check the location of speed cameras and assists drivers with their journeys. Users

are given a map of the entire ProfiAuto Service network of nearly 1,000 workshops across the country.

Additionally, this year's event hosted Poland's most famous car mechanic, Adam Klimek, host of 'Dream Car - Buy and Make'. "I'm very pleased to be working with ProfiAuto," says Klimek. "Thanks to this partnership, I now have the opportunity to train several thousand mechanics associated with the ProfiAuto Service network. It's a big challenge, but also a huge responsibility."

ProfiAuto Director of Development and Strategy Michał Tochowicz says the event is an amazing opportunity for automotive figures to become acquainted with the latest trends in the industry.

"It is a meeting of leading engineers from the world of motoring, an exchange of valuable experience, and the establishment of promising business relationships," Tochowicz says. "We're already starting to think about the fifteenth show that will take place in 2018."

Moto-Profil bought back Van Heck's share in the company at a loss. Despite this, Piotr harbours no hard feelings towards Frans or Adriaan. Reminiscing about the partnership, Piotr is proud that, to his knowledge, he hasn't cheated anybody and has no rancour towards anyone. "Later, I met Frans at an auto show in Frankfurt. He said, 'Piotr, we shouldn't have turned our backs on you. We regret doing that.' I said, 'You weren't patient enough. Our results were coming but you didn't want to wait. Sorry. But that's okay. We are still friends,'" he recounts.

It was also with great support from Frans Van Heck that Moto-Profil became a member of Temot International [TI], one of the few automotive distributor groups in Europe. Today, Piotr is member of the TI board, and other employees are active in each of TI's working councils.

Moto-Profil's patient approach to business growth has served it well. In 2000, Van Heck was one of the largest auto parts firms, much

larger than Moto-Profil. Now that situation has reversed, with Moto-Profil growing at a rate of 25 per cent this year, by Piotr's estimation. While most would be popping champagne corks at that sort of growth, according to Piotr, that is too much and strays from Moto-Profil's strategic plan.

"I'll admit, yes, 25 per cent is too much. We need something like five per cent growth," he says. "This is, of course, a very positive situation, but we've got plans for other areas of the business, not just for how much we can sell, because we know selling is not everything."

Instead, Moto-Profil's business plan is much more comprehensive. In particular, Piotr notes it is paramount that the company retains its staff. "People love feeling valued. These people, they understand the plan and that we are winning. They've all been tempted by headhunters to move elsewhere, but everyone knows the value they bring to this company. To me, that is fantastic." »



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As Moto-Profil's twenty-fifth anniversary looms, Piotr is most proud of the fact that most of its estimated 700 employees have stuck with him and the company through thick and thin. He singles out Managing Director Bogumił Papierniok, who has been with the company ever since it started, something Piotr says is all too rare these days. "Even with all these changes, and all the problems we've had for the past 25 years, there are people still working for us who have been here from the start," he notes. "We've had to kick out some people, but there aren't many people who have left the company voluntarily."

Asked to describe his company in a nutshell, Piotr thinks of it as a Noah's Ark. "I'm not a very religious guy, but what we are creating here is an ark like Noah's," he says, "a vessel on which we are sailing in this ocean of stupidity and foolishness."

**DECLARING INDEPENDENCE**

Asked about his biggest inspirations, Piotr names two family members. His father and grandfather are long gone, and had very contrasting stories, but both possessed the same elements of pride, independence and ability to succeed against the odds. Even though Piotr was too young to witness his grandfather as the successful businessman other people tell him he was, his spirit still lives on in him. "He came from a small village, a town named Słomniki, close to Kraków. On one side of the road there was one half of the Tochowicz family, and on the other side there was the other half. He was one of the richest guys in Kraków before the Second World War. He was for me very inspiring, an example of how, from the bottom, you can rise to the top."

Piotr's other inspiration, his father, was a scientist, travelling as an expert with the United Nations Industrial Development Organization (UNIDO). "My father was a metallurgist," he says. "He spent a lot of time building steelmaking factories in Peru, Mexico, Turkey, Angola and Mozambique." However, Piotr remembers his father best as a fearless cowboy sticking it to the Communists. "He wanted to do without the

“Don't think that you always have it right, that you are wise and smart, because it's not true. You can always make mistakes and you can always make some silly moves.”

life of the Communist system. He lived well and earned good money as a UNIDO expert." This sometimes led to problems with the police when Piotr's father was travelling overseas. "I would hear from my friend that he was with the police, and I said to my father, 'I heard that you had a problem with the passport and they won't give it to you,'" he remembers. "He would respond that he said to the police, 'Rack off! I'm an expert with UNIDO. Let me go!'"

Reflecting on his life, Piotr does have a few regrets. He wishes he had learned more languages as a teenager. "My father knew seven languages. He always kept telling me, 'Learn languages. Learn languages. This is important,'" he says.

But in both business and in life, Piotr continues to live by a simple creed that serves him well: Live, and let live. "Of course, there will be some companies, some bosses and some guys from top management that want to eat everything, thinking about how they can dominate a market or become a monopoly," he says. Aware of the dog-eat-dog realities of business, Piotr says this approach is the major difference between Moto-Profil and other companies. "We're trying not to eat too much and not to eat everything. The best solution is to give bits to others," he explains. "We don't want to eat up all of the market. We want to do business with others. Of course, we want to do business based on a system in which we can remain independent. But let's remain independent together. That is my way of thinking. That is the biggest difference." ■

# Bright connections

Lumileds' Vice President Aftermarket, Steven Zimmer, explains why distribution strategy and long-term partners are key to the globalisation of automotive lighting sales.



Steven Zimmer, Vice President Aftermarket

**HOW IS LUMILEDS PLACED WITHIN THE AUTOMOTIVE LIGHTING SECTOR?**

**Steven Zimmer:** Lumileds is a global company that develops innovative lighting solutions for the automotive, mobile, IoT and illumination market segments. All our automotive products are of original-equipment quality, offering best-in-class performance for carmakers and the aftermarket worldwide. We have a strong track record of innovation as the inventors of Xenon headlights, pioneers in the use of halogen and today we lead the way in LED bulbs. Lumileds develops, manufactures and distributes Philips-branded automotive lighting products.

**WHAT ARE THE MAIN CHALLENGES BROUGHT BY THE GLOBALISATION?**

In an increasingly global market, consistency is essential. That means having a unified approach to customers, wherever they're based, which is why we've harmonised our ways of working with them internationally (while keeping some local flexibility) and aligned our products, services and commercial policy. Underpinning it all is a channel-management strategy built on a close-knit group of strong regional leaders.

**HOW IS CROSS-CHANNEL DISTRIBUTION AFFECTING THE MARKET?**

The automotive aftermarket and consumer channels are changing faster than ever before. Historical boundaries that used to govern our industry are disappearing in many countries. In practice, this means that everyone seems to be selling everywhere. I think we need to get

back to basics and have a clear understanding of what we sell to whom, and why. If we focus on those fundamentals, channel-related matters like marketing activities, product strategy, commercial policy and services become more straightforward.

**HOW DO YOU CHOOSE YOUR INTERNATIONAL DISTRIBUTION PARTNERS?**

We've been in the automotive lighting business for decades in most markets, so we have long-standing relationships with many of our customers. When it comes to choosing new partners or distributors, we value long-term potential above quick wins. We often end up working with distributors who share our belief in the importance of innovation, customer engagement and sustainable growth.

**WHAT KIND OF RELATIONSHIP DO YOU HAVE WITH YOUR AFTERMARKET DISTRIBUTORS?**

Our distribution strategy is based on the principle of being "everywhere but not anywhere." We ensure full market coverage through capable, likeminded partners. We expect them to be comfortable working with premium, original-equipment quality products and services, and to think long term. We believe a combined approach with our distribution partners is the best way of convincing installers and users to demand quality parts for their vehicles. This kind of close partnership helps both ourselves as manufacturers and our distributors understand and adapt to a changing market. The bottom line is that we want to operate across the entire automotive aftermarket, whether wholesale, traditional retail or ecommerce. ■







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