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## PART of the FAMILY

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St. Cloud's Automotive Parts  
Headquarters is thriving under its  
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BY GAIL IVERS // PHOTOS BY JOEL BUTKOWSKI

**I**f the Bartlett family had been violinists, Corey Bartlett believes he would have gone into the violin business. Instead of violins, the Bartletts pursued automotive parts.

Once known as National Bushing and Parts Co., St. Cloud's Automotive Parts Headquarters (APH) is thriving under its third generation of Bartlett leadership. And its leadership is thriving as well. Always top of the mind for a career, current company president Corey Bartlett says he was never pushed one way or another.

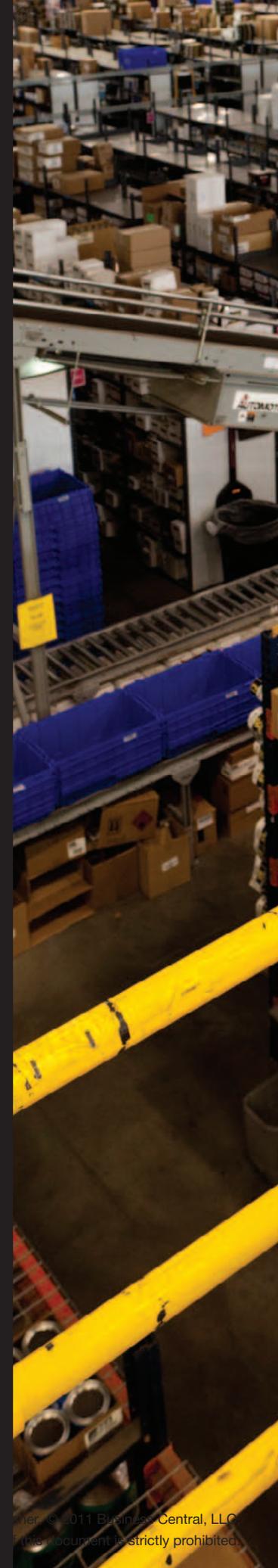
"I spent time with Dad at work," Corey said. "I'd help with the annual inventory and ride along with new clients, but I was involved in things in high school. I wasn't necessarily a

child laborer." When the time came to make a decision about joining the family business, no one was surprised at the outcome.

"It is compelling to do what my dad does and what my grandpa did," Corey says. "I'm confounded and overjoyed by the same things they are and were."

### Starting Out

Jack Bartlett, Corey's grandfather, started as a janitor at the National Bushing and Parts Store in St. Cloud in 1938 while he was still in high school. He quickly moved to the machine shop, then into sales and assistant manager. In 1959 National Bushing decided to sell the store and Jack, with four partners, bought it.





John (L) and  
Corey Bartlett

#### FUN FACT

National Bushing & Parts Company was started as a manufacturer of bushings and auto parts in 1920. The company quickly transitioned to retail sales of aftermarket auto parts, but has never completely left its machining roots behind. Today the company has 14 stores that still maintain machine shops, primarily for heavy equipment and farm machinery.

## BUSINESS PROFILE

### Automotive Parts Headquarters, Inc.

2959 Clearwater Road  
PO Box 1338,  
St. Cloud, MN 56302-1338

Phone: (320) 252-5411

Fax: (320) 252-4256

**Website:**

www.autopartshq.com

**CEO:** John Bartlett, Jr.

**President:** Corey Bartlett

**Ownership:** John, Nancy and Corey Bartlett; an ESOP established in 2003 owns one-third of the company

**Business description:**

Automotive parts retailer and wholesaler serving Minnesota, Wisconsin, Michigan, and North Dakota.

**St. Cloud-based**

**employees:** 183

**Total number**

**of employees:** 700+

**Number of**

**corporate stores:** 72

**Number of independent**

**store customers:** 37

**2010 projected sales:**

\$82.5 million

**Number of delivery vehicles**

**(company-wide):** 276

**Number of SKU's (stocked**

**in warehouse):** 80,000

**Warehouse inventory turn:**

4.67 times per year

RIGHT: Steve Maciej prepares product for same day delivery to one of APH's 100+ stores.

The ownership team, under Jack's leadership, quickly expanded its holdings, buying additional stores and establishing a warehouse distribution center in the 1965.

"I helped at the store a little when I was in high school" said APH CEO John Bartlett, Corey's father. "I worked at the parts store counter, swept floors – whatever part-time things high school kids do."

John graduated from Bemidji State University in 1971 with a degree in business and economics. He chose to enter the family business, starting in purchasing then serving as general warehouse manager. In 1976 his father died unexpectedly.

"I went home on Friday and didn't have responsibility for the whole company. On Monday morning, I did," he said. "I was only semi-groomed for the job. I suppose we both assumed we had another 10 years to work together."

From 1976 to the early 1980s, APH stopped growing to catch up, according to John. "My focus was on making sure we were stable. The company was never in any danger; I just had a lot to learn and it took time to acquire those competencies. I suppose the transition I didn't have with my father has had an impact on the transition we have had with Corey."

For Corey that has meant learning many aspects of the company in a short time. Starting with APH in 2000, he was quickly immersed in day-to-day operations. Their goal was to do their best to prevent Corey from experiencing some of the same struggles John had dealt with 25 years earlier. "Industry and business is less forgiving today than it was in 1976," John said. "It maybe wouldn't be disastrous if Corey had had to take over unexpectedly, but it would have been significantly more complicated than it was back then."

The transition has gone smoothly, according to John, who passed on the president's role to Corey in 2008. "Corey enjoys the work and has capabilities that I didn't have when I was his age. The transition has been good for him and I'm willing to let go. Ready, willing and able."

John's focus these days is more on company strategy, while Corey drives operations. Building a strong management team and developing critical relationships with customers are on the top of Corey's to-do list. "The most important



thing is to have the strongest team we can," Corey said. "Whether in the office, the stores, the warehouse....That's probably our biggest challenge – constantly making sure we're building, recruiting and strengthening the team."

If that's Corey's number one concern, number two is continued growth. APH has both independent and corporate stores that distribute their parts. The stores sell to professional auto repair shops and the serious do-it-yourselfers. Typically, considerable communication and advice go between the auto parts store staff and their customers. Over the years that results in a lot of trust. Because of this, growth comes primarily by acquiring existing auto parts stores with established customer relationships.

"Acquisitions are appealing because we want to start off with strong relationships and build on them," Corey said. "If a small parts store wants to sell to us because the owner wants to retire to Florida, there's no appeal to us. We want the same team in place – we want those relationships to stay in place, otherwise it's too easy for customers to drift away."

### What Recession?

"Our business is recession resistant," John said. "Not recession proof, recession resistant. Over the years – the 1970s oil embargo, interests rates



**“Over the years—the 1970s oil embargo, interests rates at 15+ percent, gas prices going sky high—pick a recession, our business has been steady.” – JOHN BARTLETT**

at 15+ percent, gas prices going sky high – pick a recession, our business has been steady.”

“When things are good our business is pretty boring and ok,” Corey said. “When things are bad our business is pretty boring and ok.”

“We haven’t had a year when we haven’t grown sales,” John added. “That’s a positive other businesses don’t have.”

The company’s growth is certainly something to be proud of. From one store in 1959, APH now has 72 corporate and 37 independent stores, adding 38 stores in just the last four years. They’ve expanded from a 50,000-square-foot warehouse in 1962 to 175,000 square feet today. And that steady sales growth John referenced is expected to take the company to \$82.5 million in revenue by 2010.

But there is more to the company’s success than simply being recession resistant. Looking back, John acknowledges APH has managed to outlive most of its privately-owned competitors. One reason may be that most of them were focused on retail sales where the competition is cut-throat. APH is about 30 percent retail and 70 percent wholesale.

John dismisses this difference. “No. I don’t think our focus on wholesale has had much to do with our ability to stay in business when others have not succeeded,” he said. Instead, he puts the success and failure of business directly on the shoulders of the people in charge.

“I think it makes a real difference if the owners are engaged. When you’re part of the day-to-day operations of the company, you know the people, you know the product, and the employees know that you’re fully engaged. And I think as a result you make better decisions all around. You bring in better people. We’ve always had such good employees.”

Corey also believes the company’s size makes a difference. Large enough to enjoy economy of scale, it remains manageable for the family and the leadership team. Both independent store owners and employees have the opportunity to influence operations. “Independents have a lot of input and say here,” Corey said, “more than they might with a larger dealer.”

“Absolutely,” John concurred. “We absolutely want to hear what the people in the stores have

**FUN FACT**

APH services 19,000-20,000 customers out of their stores.





RIGHT: Long-time employee Linda Merklung has helped APH grow from a local parts distributor into a regional player.

to say. We have to provide products they can sell. We also want to hear from the employees. We have people who have been here 20 and 30 years. They're in the best position to tell us how to do their jobs better."

### Employee Engagement

Respect for the employees, the desire to reward them for work well done, and the opportunity to help them feel invested in the company led John to create an Employee Stock Ownership Plan (ESOP) in 2003.

Over the years, as his father's original partners retired from the company, John had purchased their shares. In 2003, the final partner was preparing to retire. Rather than purchase those shares, John decided to use them to start the ESOP. "We thought it would be an investment that would help the employees feel more like they were part of the company, part of the decision-making process. And it gave them additional retirement opportunities," he said. (The company already had a 401k program.)

Both men credit their employees for much of the company's success. And when it comes to what they like best about being in business, working with employees is high on the list. "I know it sounds trite," Corey said. "Everyone says the employees are the most important. But the fact is that working with an engaged, passionate, and vibrant management team that plays to win is pretty cool."

### The Future

The future is here for APH. In December, the company opened a new facility with a somewhat different business model. Most of the stores are about 70 percent wholesale and 30 percent do-it-yourself customers. The Grand Forks store is located in a warehouse district with no retail presence and will be 100 percent wholesale. The change is driven in part because of the competitive nature of retail and in part to allow the company to expand into larger markets.

"In a new city where we've never been, we can't compete effectively in retail," Corey said. "But where we can compete is in the professional auto body arena." That's because for that audience it's all about service and service is in large part about inventory. "We spend lots of energy making sure our inventory is as scientifically managed as possible. The decision to stock 100 or 105 of some particular item is simple

## TIMELINE

**1920** Aime Pouliot and J.R. Riley start "National Bushing & Parts Co." in downtown Minneapolis at 12th & Harmon Place

**1936** The St. Cloud store opens



**1959** Jack Bartlett and partners form a corporation to buy the St. Cloud National Bushing location from the original founders



**1960's** St. Cloud National Bushing adds stores in Mora, Milaca, Glenwood and Brainerd

**1965** Jack Bartlett and his partners establish a formalized distribution center called Automotive Parts Headquarters (APH)

**1970's** APH adds stores in Willmar, Sauk Centre, Foley and Albany; Jack and his partners continue to acquire and open new locations

**1971** John Bartlett joins the company full time as the second generation of leadership

**1972** APH opens a 50,000 sq. ft. warehouse on 29th Ave. in St. Cloud

**1975** APH adds a 12,000 sq. ft. warehouse in south St. Cloud

**1976** Jack Bartlett passes away; John Bartlett takes over as president

**1982** APH acquires McCleary Auto Parts

**1986** Auto Value program begins

**1991** APH acquires Wilson Brothers with four stores in northwest Minnesota

**1993** APH acquires M&L Auto Supply, with 7 stores in southern Minnesota

**1998** APH acquires OK Automotive Warehouse with 13 stores in Duluth; APH reaches \$35 million in sales

**2000** Corey Bartlett, the third generation of the Bartlett family, joins the company full-time; APH has 66 company stores and almost \$49 million in sales

**2003** APH begins an Employee Stock Ownership Plan (ESOP)

**2006** APH moves into a 160,000 sq. ft. facility at 2959 Clearwater Road, St. Cloud

**2008** Corey Bartlett becomes president; John Bartlett becomes CEO; APH has \$72 million in sales

**2009** APH expands its warehouse by adding a 15,000 sq. ft. mezzanine



**2010** APH opens its first wholesale-only store in Grand Forks, North Dakota; the company projects \$82 million in sales





**“Everyone says the employees are the most important. But the fact is that working with an engaged, passionate, and vibrant management team that plays to win is pretty cool.”**

– COREY BARTLETT

math. You look at sales trends, the type of product and make the call. The decision to stock zero or one of something is the hard decision. Our reputation is built on having that one thing that never sells.”

Of course, that one thing does sell eventually. And being able to deliver it that same day or overnight to a customer is what separates APH from the competition. “We need to have that one item here for our customers,” Corey said. “Otherwise we’re no different than a convenience store. If we have the best inventory and actively manage it, we can win.” All bets are now on the Grand Forks model.

“If this works, we’ll expand it into the larger markets,” Corey said. He anticipates adding another wholesale-only store in 2011, with an eye toward expanding into mid-to-large size markets, and a possible move into the Twin Cities at some point in the future.

What the Bartletts claim is not in their immediate future is a change in company

ownership. “We’ve had multiple opportunities to sell over the years,” John said, “but we wanted to keep the business in the family and we enjoyed what we were doing.”

Again, John points to the employees and customers – what company literature calls “a part of the family.” A sale to a bigger company would result in the elimination of the company headquarters in St. Cloud and lost jobs. John and Corey have loyalty to those who have been loyal to them.

“We have lots of people who’ve worked hard, have been here a long time, and have a lot invested in this company,” John said. “But equally, for Corey and me, we haven’t sold because of our own desire to compete, to grow, and to see what we can do with this business. We like the challenge.” **BC**

Gail Ivers is vice president of the St. Cloud Area Chamber of Commerce and managing editor of *Business Central Magazine*.

## BUSINESS PROFILE



### John Bartlett

CEO, Automotive Parts Headquarters

**Age:** 63 **Hometown:** St. Cloud

**Education:** Business and economics degree from Bemidji State in 1971

**Family:** Married Nancy in 1975; two children, Corey who is president of APH and Lee, who has special needs and works at WACOSA

**Hobbies:** Travel, photography

**Advice to a would-be entrepreneur:** Be as concerned about the people you’ve chosen to work with you as you are about your customers. If employees aren’t happy, customers aren’t happy.

**Best advice came from his father:** “Treat others the way you’d like to be treated.”



### Corey Bartlett

President, Automotive Parts Headquarters

**Age:** 33 **Hometown:** Sartell

**Education:** History and geography degree from Gustavus Adolphus College in St. Peter, Minn.

**Family:** Parents John and Nancy Bartlett, brother Lee

**Hobbies:** “I have ill-defined hobbies. I like fishing on the dock – not serious fishing, just an excuse to sit on the dock. I enjoy travel – mostly non-exotic, work-related travel. I listen to books on tape: Non-fiction when I exercise, fiction when I’m driving.”

**Best advice came from his mother:** “When someone does something nice for you, send them a thank you note.”