Put the shine back into your profits and discover how your dealership can benefit from increased penetration rates when you switch to LifeShine. With a lifetime guarantee, exceptional durability and superior protection, your customers will be as delighted as you are.

For a free demonstration, call 01462 677 766 or email lifeshine@autoglym.com
Late summer is traditionally known as ‘the silly season’ in journalism. The recess of Parliament and a typical slowdown in business reports as workers take summer holidays often leads to particularly frivolous news stories appearing in the media. Take August 2009’s national newspapers reporting about the mysteriously premature death of the UK’s largest carp, Benson, or about an invasion of killer Siberian chipmunks from mainland Europe, for example.

In motor retail’s trade press, we don’t have such an issue, thankfully. Since the schools broke up for the summer holidays, we have had the Government’s announcement that non-hybrid petrol and diesel vehicles will be banned from 2040, and another acquisition of a UK dealer group by a South African company, this time major AM100 dealer group Pentagon.

We have also reported record first-half trading results from some of the PLCs, the emergence of a multi-million-pound consortium to help ambitious entrepreneurs take on their own dealership, and the launch of a new independent dealers’ association. Plus there’s always GDPR and the FCA to contend with.

Although the UK motor retail sector has enjoyed a sustained period of growth, it seems to be in a significant period of transition. While 2040 is a long way off, even the next decade looks likely to bring a different structure to franchised networks now that some manufacturers are taking even more control of new car sales channels and preparing to sell directly to consumers online.

Regulatory and consumer behavioural changes must give AM readers plenty to think about.
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am-online.com
DEALERS CALL FOR CLARITY AS DIESEL SALES SUFFER

AM survey reveals UK motor retailers’ concerns over falling volumes of new and used diesel cars, waning customer interest and confusion over the Government’s clean air policy

Car dealers are racing to revise stocking strategies and demanding “greater clarity” on the future of diesel as the continued fall-out from the NOx emissions scandal and proposed anti-diesel legislation make life awkward for ‘oil burners’ and those who sell them.

Almost two years on from the dieselgate/ Volkswagen emissions-cheating scandal, the momentum against diesel-powered vehicles seems to have continually built, along with the pressure on the Government to reduce the UK’s nitrogen dioxide levels.

Assertions that 50,000 premature deaths a year are caused by NOx emissions, alongside the rush by German premium manufacturers’ to preserve diesel in the short-term by offering their own scrappage-style schemes have fed into consumers’ uncertainty.

This was not helped by the utterly confused communications from the Department for the Environment and Rural Affairs (Defra) in announcing a ban on the sale of new vehicles with “conventional diesel and petrol” engines.

AM sought the opinion of its readers in an attempt to understand the effects of the negativity surrounding diesel-powered vehicles on their businesses.

A shift in diesel demand
The vast majority (87.3%) of franchised dealers said sales of new diesel cars had fallen, with the remaining 12.6% stating sales were unaffected.

In the used sector, almost three quarters (74.5%) said sales of diesel vehicles were down, 24.8% said sales were unaffected and less than 1% of respondents said they had seen volumes rise.

The SMMT reported that demand

for new alternative fuel vehicles (AFVs) rose 64.9% year-on-year in July, while registrations of new petrol and diesel cars declined by 3% and 20.1%, respectively.

According to SMMT statistics, used car sales for diesels were flat (-0.1%) for the first half of 2017, at 1,628,045 units, but that figure masks a 5.3% fall in used diesel sales in Q2. However, that performance is better than the overall used car market, which fell 13.5% in Q2.

Statistics from Auto Trader showed that diesel cars had fallen from 71% of total fuel-led searches in November, to 56% in June. Carwow reported a 25% decline in interest in diesel cars since July 2016.

This decline in interest was echoed by respondents to AM’s survey, 76.4% of which said they had seen a decline in the number of enquiries about diesel vehicles and 78.8% had adjusted their stocking policy accordingly.

Discounts were also on the cards, with 75.6% of dealers stating that they had adjusted the pricing of their stock to compensate for the lack of interest in diesel cars.

The shift in pricing strategy is also being adopted by manufacturers.

Carwow reported that sales of diesel vehicles via its online platform rose in July as manufacturer offers enticed savvy car shoppers despite negative press.

Alex Rose, head of trading at Carwow, said: “Carwow has seen a gradual increase in interest in diesel models in July, accounting for 43% of sales, up 3% on June. ‘This will be driven in no small part by additional buying incentives from manufacturers, with a 9% relative increase in savings offered on diesel models in July, compared to Q2.’

Austin Collins, managing director of BuyaCar.co.uk, said: ‘There’s no question that it’s a buyers’ market for diesel vehicles via its online platform rose in July as manufacturer offers enticed savvy car shoppers despite negative press.

There’s no question that it’s a buyers’ market for diesel cars, with more than 25% off some cars, which adds up to well over £5,000 in some cases

AUSTIN COLLINS, BUYACAR.CO.UK

HOW HAVE YOUR SALES OF NEW DIESEL VEHICLES BEEN AFFECTED?

HOW HAVE YOUR SALES OF USED DIESELS BEEN AFFECTED?
There is a good chance the market will have largely shifted towards EV vehicles before the deadline of 2040

DR FREDERIK DAHLMANN, WARWICK BUSINESS SCHOOL

This uncertainty was made clear in comments left by dealers who responded to AM’s survey.

“I feel the Government should be more clear on their intentions and time scale on any changes they are bringing in, so customers know what changes there will be,” said one respondent.

Another wanted answers to help guide their own plans, stating: “I would like to see clarity. What is happening with diesel-powered vehicles?”

Manufacturers’ action

Public perception of the carmakers’ race towards AFVs may be working against car retailers’ diesel car sales, with many consumers considering a move in the same direction.

In August, Volvo targeted one million electrified car sales by 2025 after announcing that all of its new products will include an element of EV technology from 2019, while Volkswagen has also said its long-term future lies in EVs.

Respondents to AM’s survey revealed that few manufacturers had revealed an intention to abandon diesel in the long term, with almost three quarters (71.5%) suggesting such plans had not been shared.

Some dealers were aware of such changes at Volvo (9.5%), Audi (5.2%), Ford (4.3%), Mercedes-Benz (3.5%), Volkswagen (6.9%), however.

For now, some manufacturers are intent on preserving the immediate future of diesel.

German premium car manufacturers have come to an agreement with German authorities to begin voluntary recalls to implement NOx-cutting software updates and scrap-page-style incentives to customers moving into cleaner vehicles.

Mercedes-Benz will carry out NOx emissions-limiting software upgrades to three million diesel vehicles across Europe, and Audi will do the same to 850,000.

BMW has brought its scrappage-style scheme to the UK. Until the end of December, customers will benefit from a discount of up to £2,000 when trading in any Euro 4 or earlier diesel car for a BMW emitting below 130g/km CO2 emissions (more than 80% of BMW’s range and almost 70% of Mini’s).

AM’s readers clearly want to see more education of consumers about the emission-cutting advances in Euro 6 diesels. Some 79% of respondents said they had made efforts to educate their customers.

However, dealers were less impressed with their manufacturers’ and representative bodies’ efforts – 81% said their OEM partners were not doing enough to sway opinion and 87% said the same of the SMMT, NFDA, RMI and IMI.

One survey respondent summed up the mood among dealers, stating: “It’s down to the manufacturers, the industry bodies and in particular, the media, to educate the public as to what the real score with diesel is.”

“The Government have handled this very badly by making announcements months before any specifics,” said one respondent.

“The public don’t have a clue as to what’s what with diesel cars.”

TOM SHARPE

NOx in the news

The tide of negative publicity surrounding diesel-powered vehicles gathered momentum after the government published its ‘UK plan for tackling roadside nitrogen dioxide concentrations’ on July 26.

Its effect on the car-buying public was compounded by confusion surrounding Defra’s communication of the headline-grabbing plan to ban the sale of new ‘conventional petrol and diesel’ vehicles from 2040.

Initially reported in the national press as an outright ban on combustion engines, when AM called to seek clarification Defra’s communications department could be heard debating whether hybrid vehicles were included in the ban.

They later sent out a clarification of the policy – stipulating that hybrids were not included.

Dr Frederik Dahlmann, an assistant professor of global energy at Warwick Business School who researches the low-carbon economy, said: “There is a good chance the market will have largely shifted towards EV vehicles before the deadline of 2040.”

Scrappage scrapped?

The Government’s clean air plan stopped short of announcing the “targeted” diesel car scrapaggio scheme it had included in technical notes published alongside its plans published in May.

Respondents to AM’s survey had a mixed response to the prospect of a scrapaggio scheme, with 49% suggesting it would boost sales. However, more than a third (37.9%) felt it would have no effect and 13% said they were unsure of its potential effects.

Perhaps this was down to the “targeted” nature of the earlier Government proposals, which suggested that only owners of older diesel cars in areas with the highest NOx pollution would be eligible for the scheme.

When asked if any Government scrapaggio scheme should be applied nationally, 84.2% said it should.

The Government’s proposals to meet EU NOx emissions targets made local authorities the focus of much of the clean air plan, requiring them to produce a study of local air quality and a plan to reduce NOx levels, including charging zones or outright bans for certain vehicles as a last resort.

The Government announced a £25 million ‘implementation fund’ to help authorities make the changes.

“It is for local authorities to develop innovative local plans that will achieve statutory NO2 limit values within the shortest possible time,” the clean air plan states.

Changes to the taxation of diesel vehicles was part of the government policy and an announcement is expected to be made by the Chancellor of the Exchequer, Philip Hammond, in his Autumn Statement. Until then, diesel vehicles’ immediate future remains uncertain.

Are you seeing those effects in some segments more than others?
What’s unsaid in video can be most powerful

By Andrew Howells, founder, CitNOW

Part of the power of video is what is left unsaid. Unlike email or even a telephone conversation, video can deliver subtle messages which boost trust and transparency. These subliminal messages are captured on film and are clearly visible, yet no words are necessary.

One of the best examples is panning across the front of a used car, showing the price in the windscreen. Immediately, the viewer can see the price tag on the forecourt matches the advertised price online.

It is also possible to convey other messages in video without having to resort to the written or spoken word.

In one of our 2017 CitNOW Award finalist’s videos, the integrity and transparency of the business is captured subtly.

The sales executive shows close-ups of near-perfect alloys and practically brand-new tyres. The importance lies in what is not said – the car has obviously been well looked after.

The sales executive explains the dealership originally sold it new to its previous owner. Again, the unsaid words are the most powerful. We conclude the car has been returned as a part-exchange (therefore its owner has bought another new car, indicating trust and satisfaction from a third party). The car’s excellent condition is clear, its owner retains a relationship with the dealer, the car must have been serviced here, the dealer did a great job.

There are so many messages conveyed in just a few seconds that is impossible to achieve in words. The best thing to do is to nip onto am-online.com or go to citnowawards.com/gallery/, where you will find this particular video by Lee of Bristol Street Škoda Chesterfield and watch it for yourself. You’ll soon see what I mean!

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GERMAN CARMAKERS FACE CARTEL ACCUSATIONS
An article published in German magazine Der Spiegel alleged that Audi, BMW, Daimler, Porsche and Volkswagen were part of a cartel that discussed what technology would be offered to customers over a 20-year period – including emissions-filtering AdBlue. Volkswagen’s share value dropped as much as 4.9%; BMW 3.4%; and Daimler 3.2%, following the claims.

GOVERNMENT CLEAN AIR PLAN SETS BAN DATE FOR NON-EVS
The Government announced plans to ban the sale of all new non-hybrid diesel and petrol vehicles from 2040 as part of its plan to reduce nitrogen dioxide emissions. On the day of the announcement, Auto Trader reported a 680% increase in consumers searching for EVs, 257% for petrol-ethanol, 170% for hybrid, and 129% for bi-fuel.

INCHCAPE UK PROFIT DOWN
Inchcape reported that its retail trading profit of £60.3 million was up 12.9% despite its UK business being “broadly flat” as its global distribution operation helped the business to grow revenue in the first half of 2017. The UK and Europe region retail operations yielded a 0.8% drop in trading profit in the six months to September 30.

FCA IDENTIFIES RISK IN COMMISSION PAYMENTS
The Financial Conduct Authority (FCA) said it has established lenders may apply price and commission caps on dealer and broker partners as it set out its main areas of focus for its investigation into motor finance. It said commission payments presented “a greater risk that the finance aspect of a car purchase is used to generate a margin on the sale”.

PENDRAGON NEW CAR REVENUES FALL 5.8%
Pendragon chief executive Trevor Finn has reiterated the group’s intention to double used car revenue by 2021 (from £1.92bn in 2016) after its H1 financial results revealed a 5.8% fall in new car sales revenues. Turnover rose 6.3% to £2.47bn in the same period.
Perrys more than doubles profit to £16.6m
Perrys Group recorded its sixth year of rising revenues, which were up 5.4% to £661.4m in 2016. Filing its first full-year results since the acquisition of GK Group, Perrys announced that pre-tax profit had more than doubled from £7.7m to £16.6m.

Consortium launches sponsored dealer scheme
A consortium of dealers and automotive investors has formed a multi-million-pound private investment fund to help entrepreneurs establish their own franchised dealerships. Tempus Automotive Investments was launched by Luscombe Motors owner Robin Luscombe and Knight’s BMW owner Dave Vickers. It is believed to be the first private sponsored dealer scheme.

Marshall pre-tax profits up 32.9%
Marshall Motor Holdings’ chief executive Daksh Gupta said the group was in a “great position to continue outperforming the market” after its pre-tax profit rose 32.9% in record H1 results. Underlying profit before tax rose to £18.6m (H1 2016: £14m) as the group grew its revenues 43.7% from £826.4m to £1.19bn.

Lookers quits Peugeot, Citroën, Jeep and Alfa Romeo
Lookers announced its exit from the Peugeot, Citroën, Jeep and Alfa Romeo brands (except in Northern Ireland) as it targeted greater efficiencies after profit before tax dropped 4.5% to £44.6m in H1. Chief operating officer Nigel McMinn (above, right, with chief executive Andy Bruce) said the businesses had been loss-making.

Using online sales to turn stock faster
By James Tew, CEO, iVendi
It is no secret that dealers are generally finding that used car and van margins are under pressure, despite the market remaining relatively buoyant. How are they fighting this trend? Well, we are seeing more and more dealers use online sales to turn around stock more rapidly.

Put simply, by attempting to maximise this key area of innovation, dealers can create a 24-hour, nationwide sales channel, reaching customers who would otherwise be unavailable.

Recent research we have undertaken at iVendi, covering 12,500 transactions, showed that 35% of car sales could potentially happen entirely online in that they were sold without the need for any dealer contact – requiring no part-exchange, being sold at the vehicle’s windscreen price and using the dealer’s online finance.

In fact, about one in 20 (5.6%) purchases in our sample were fundamentally completed entirely online already, in the sense that there was no email, phone or physical contact with the dealer until the final step, when the car was collected or delivered. The customer followed a structured, online buying process.

Some people in our industry will tell you that there are no genuine online car sales happening in the UK. This is simply not true, as you can see from our statistics, which also suggest that many more car sales could happen online, if dealers provided the option.

What smarter operators are now starting to realise is that, at a time when margins are under pressure, an open-all-hours online showroom that allows the customer to take the sale through to completion is a valuable new channel that can help you to retain profitability.

The iVendi Platform provides a complete online motor finance solution for dealers, motor finance providers, car portals and manufacturers. To find out more, visit ivendi.com, e-mail enquiries@ivendi.com or call 0345 226 0503.
SALES DOWN, STOCK TURN DOWN, FOOTFALL DOWN...

...but it’s not all bad news – used car return on investment is almost 20% higher than a year ago

A decline in used car market activity during the second quarter of the year may have compounded the damage to dealers’ average profitability done by the nationwide slump in new car demand during April and May.

Data from the DVLA related to used car transactions shows a 284,968 drop during Q2 2017 compared with the corresponding period in 2016. That drop has counteracted a record Q1 performance of 2.1m transactions, which was 70,282 higher than Q1 2016.

The pattern echoes the new car market, which also achieved record results in Q1 before slipping back in Q2, which recorded a 10.4% drop year-on-year. However, the DVLA’s car transaction data, sourced by the SMMT, includes non-franchised dealers and private transactions, so the picture is less clear with regards to the market’s actual performance within franchised dealers.

There is some evidence of a slowdown in the market, however. Average dealer performance statistics published by ASE Global for the end of June show that the ratio of used to new vehicle sales had dropped to 1:23.1 from May’s ratio of 1:28 used for every one new.

STOCK TURN RATE FALLING

ASE chairman Mike Jones has also highlighted that the number of average days in stock for used vehicles has been creeping up – in Q2 2016 it was 54 days; currently, it is 57. Corresponding with dealers taking longer to turn their stock, the National Association of Motor Auctions (Nama) reported that auction first-time conversion rates in May and June had decreased slightly, suggesting trade demand for replacement units may have lessened.

At Cap HPI, consumer and retail specialist Philip Nothard said its June survey of dealers indicated that just more than half of them (52%) felt demand had lessened since May, and 41% had seen a drop in online activity, while 47% reported showroom footfall had declined. Its data also showed this had worsened slightly through July, with 51% reporting a drop in footfall. The feedback also contained the message that trade values for stock were too high.

Simon Benson, director of motoring services at used car website AA Cars, said: “We expected to see an uplift in the sales of used cars following April’s new VED rates, which have stalled transactions in the new car market for several consecutive months. In fact, the sales of used cars have closely reflected the slowdown in activity the new car market has experienced.”

“The public are clearly taking talk of scrappage schemes, clean air zones and the ‘toxin tax’ seriously. Drivers are now questioning their purchases more widely and making more carefully considered car-buying decisions than they might have in the past.”

Benson said dealers could take this opportunity to position themselves as expert advisers for consumers worried about their fuel choice. Auto Trader’s analysis found diesels were absent from the public’s considerations, clean air zones and the ‘toxin tax’ seriously.

Drivers are now questioning their purchases more widely and making more carefully considered car-buying decisions than they might have in the past.”
with 74.4% a year ago, as stock values have held firm.

Separate statistics from the Finance and Leasing Association (FLA) show that dealers’ used car finance sales increased by 4% in volume and 9% in value during Q2, which suggests that dealers are being successful in increasing their finance sales penetration with consumers buying pre-owned vehicles.

Alex Buttle, director of car-buying comparison website Motorway, said that although the drop in used transactions looks bad for the industry, record performances such as Q1 are often followed by a cool-down.

“Put into context, 2016 was a record year for used sales in the second half of 2017. The opportunities and challenges ahead in the used car market are topics being presented in the insight theatre at Automotive Management Live, our free event for motor retailers, on November 9 at Birmingham’s NEC.

Separately, the AML event is also home to a dealer profit clinic, which will be run by Mike Jones of ASE Global, the Manchester-based automotive profitability specialist.

Visit www.automotivemanagementlive.co.uk for more details. The opportunities and challenges ahead in the used car market are topics being presented in the insight theatre at Automotive Management Live, our free event for motor retailers, on November 9 at Birmingham’s NEC.

Separately, the AML event is also home to a dealer profit clinic, which will be run by Mike Jones of ASE Global, the Manchester-based automotive profitability specialist.

Visit www.automotivemanagementlive.co.uk for more details. There are a number of actions we can take to ensure we are well prepared for this attention and they centre around our greatest asset – our people:

■ Enrich our staff training programmes so that they are well informed and up to date on the direction of travel the regulator is taking
■ Ensure all customer-facing colleagues have a great depth and breadth of knowledge of both the vehicles they sell and the finance packages available to customers
■ Ensure the culture in our organisations is one of putting the customer at the heart of everything we do – all the suggestions being made and all the decisions being reached.

By doing these things, we have the opportunity to showcase to the regulator, media and customers that we are a trusted profession and deliver an extremely valuable service to our customers.

Many dealers and finance providers are already making these commitments and putting in substantial investments to support their colleague development and customer agendas.

In today’s dynamic environment, it is vital that we create a workforce that is highly skilled and knowledgeable, and that can flex and adapt to customers’ changing needs.

An excellent customer experience is key to our industry’s ongoing success and our colleagues are key to delivering that.

By Richard Jones, managing director, Black Horse

There has probably never been a greater interest in the motor industry than there is today, with increasing focus from the regulator, media and customers alike. I view this as a prime time for dealers and finance providers to truly demonstrate their professionalism and commitment to ensuring the right outcomes for customers throughout the various stages of the car-buying journey.
Fourth straight fall down to Brexit and diesel, says SMMT

The July new car market was down 9.3% year-on-year, the fourth consecutive monthly fall. The month’s total of 161,997 registrations was 16,526 units fewer than July 2016, with the largest drop of 9,970 units coming from the fleet sector.

The Society of Motor Manufacturers and Traders said “growing uncertainty” over Brexit, plus fears of bans or charges for diesel drivers, is taking effect. Mike Hawes, SMMT chief executive, said: “The fall in consumer and business confidence is having a knock-on effect on demand in the new car market and government must act quickly to provide concrete plans regarding Brexit.”

1. **MERCEDES-BENZ**
   Its first full month for a long time, yet the C-Class and A-Class remained in the market’s 10 best-sellers, with 2,828 and 2,809 registrations respectively during July.

2. **KIA**
   SUVs continue to push consumers’ buttons and Kia’s Sportage was July’s sixth most popular new car, with 3,155 registrations.

3. **FIAT**
   The Italian brand is declining faster than the market, and July’s 44.8% drop (1,571 units fewer) hasn’t helped. Its new 500L, launching in September, ought to bolster its defences.

4. **MG**
   The niche brand is in growth this year (up 4.4%) and held flat in July, with 305 registrations, thanks to low-deposit, 0% APR offers on its MG3 hatchback and GS SUV.

### NEW CAR REGISTRATIONS

#### MERCEDES-BENZ REGISTRATIONS

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<td>Suzuki</td>
<td>2,791</td>
<td>1.72</td>
<td>2,885</td>
<td>1.62</td>
<td>-3.26</td>
<td>24,608</td>
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<td>Mazda</td>
<td>2,477</td>
<td>1.53</td>
<td>2,692</td>
<td>1.51</td>
<td>-7.99</td>
<td>25,038</td>
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<td>Jaguar</td>
<td>2,200</td>
<td>1.36</td>
<td>2,639</td>
<td>1.48</td>
<td>-16.44</td>
<td>22,590</td>
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<td><strong>Fiat</strong></td>
<td>1,935</td>
<td>1.19</td>
<td>3,506</td>
<td>1.96</td>
<td>-44.81</td>
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<td>Dacia</td>
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<td>1,386</td>
<td>0.78</td>
<td>5,342</td>
<td>1.97</td>
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<td>0.64</td>
<td>1,186</td>
<td>0.66</td>
<td>-12.73</td>
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<td>0.52</td>
<td>774</td>
<td>0.43</td>
<td>-8.91</td>
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<td><strong>Smart</strong></td>
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<td>Lotus</td>
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<td>0.02</td>
<td>1</td>
<td>0.00</td>
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<td>Chevrolet</td>
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<td>0.00</td>
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<tr>
<td><strong>Other British</strong></td>
<td>91</td>
<td>0.06</td>
<td>56</td>
<td>0.03</td>
<td>62.50</td>
<td>452</td>
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<td>227</td>
<td>0.13</td>
<td>54.19</td>
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<td><strong>Total</strong></td>
<td>161,997</td>
<td>100.00</td>
<td><strong>178,523</strong></td>
<td>100.00</td>
<td><strong>9.26</strong></td>
<td><strong>1,563,808</strong></td>
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Trying to find time to train your employees? With new LetsULearn Premium all courses are run online. From financial promotions to product suitability, we can help deliver more skills for your staff, with less time away from your business.

Discover more at: blackhorse.co.uk/abetterway
Carmakers push 0% deals ahead of plate change

Manufacturers have increased the number of 0% deals on offer in the third quarter of 2017, as dealers head towards the September plate change.

AM’s analysis of 346 manufacturers’ representative examples shows 54 0% deals in Q3, up from 50 in Q2 and almost matching the 56 on offer in what was a record Q1.

There is also a greater mix of manufacturers offering 0% deals in Q3, increasing from 14 to 17.

There is no change in the lowest monthly payment offer available, with the Dacia Sandero Ambiance Sce 75 taking the top spot. However, the deposit level has increased from £980 to £1,010. The 7.9% APR strategy from Dacia also carries over into Q3.

As would be expected, the top 10 is dominated by entry-level models. Dacia has a strong showing, as does Fiat, Hyundai, Citroën and Ford also have models in the top 10. The £160 deal on the Fiesta is sure to help Ford retain best-seller status for the popular hatchback at the end of September.

Of the 0% deals, the best value offer is for the Citroën C4 Cactus, with the lowest deposits out of the 0% deals at £1,816. Citroën will be hoping that this offer, combined with the low monthly payments on the C1, will help its network to pull it out of what has been a bit of a tailspin so far this year, with registrations down 22% year-on-year halfway through 2017.

Likewise, Fiat’s network is down 21.1% over the first six months of this year, but it has a strong showing in the least expensive category and 0% deals. However, these deals are on the Tipo, rather than Fiat’s core 500 model range.

Ford’s network is looking at a 10.4% drop in registrations over the first six months of this year; battling against high figures in 2016. It has a broad range of offers in both the least expensive category and 0% offers, with the previously mentioned Fiesta and core models such as the Focus and B-Max. Problem models, such as the Ecosport, which have found it difficult to find buyers, are also getting a 0%-deal push from Ford in Q3, with monthly payments at £169 and a £1,000 deposit contribution.

What’s interesting about the Q3 offers is the figures show carmakers are really trying to get the monthly payments down to an affordable level. Of the 346 offers compiled for Q3, 323, or 93% are below £300 a month.

Carmakers are trying to get the monthly payments down... of the 346 offers compiled for Q3, 323, or 93%, are below £300 a month

For a searchable list of manufacturers’ finance offers, go to am-online.com/offers
We’re here for the long term

We’ll help to make sure your customers are too.

We realise that keeping track of your customers, then approaching them with the right renewal product at the right time, can be challenging. But, as you probably realise, your existing customers usually represent your best sales opportunities too.

Our new Customers for Life programme has been specifically designed to help you turn those opportunities into sales. It’s a state-of-the-art renewals management system, supported by comprehensive training, and valuable management information which allows you to track your own renewals success.

To find out more contact your Santander Consumer Finance Relationship Manager or visit www.santanderconsumerfinance.co.uk/dealer and complete the Callback form.

We’re here for the long term. We’ll help to make sure your customers are too.
Held in conjunction with the Institute of the Motor Industry (IMI), the event will once again provide a platform to discuss the challenges and identify solutions to looking after a business’s best asset, its people.

AM has joined forces with Best Companies Group to produce the first survey of its kind to focus only on automotive retailers, covering key metrics including:
- Leadership
- Culture
- Communications
- Training, pay and benefits

The People Conference will build on AM’s Best UK Dealerships To Work For campaign, which is identifying the UK’s top automotive retail employers as designated by employees.

Attend the People Conference and you will:
- Learn how to retain your staff and create a loyal workforce.
- Understand how the IMI is working to develop automotive retail as a recognised and valued profession.
- Gain insight into the ways retail colleagues have actively placed people at the centre of their organisations.
- Hear how manufacturers are working closely with their dealer network to ensure the best people are put in place, nurtured and trained to develop future retail ‘stars’.
- Make it easier to identify both the skill gaps in your business and implement workable solutions with tangible results.
- Return to your business knowing the training available, how to access courses and the benefits it will bring.
- Recognise ways in which you can develop your managerial techniques and gain accreditation, as well as helping your staff to achieve their potential.
- Motivate your employees and educate your bosses to participate and invest in training to boost staff retention and business performance.
- Implement an internal communications and training structure, which will help your business to attract top recruits.
- Play your part in developing the sector as a highly skilled and valued profession, while at the same time maximising your business’s profit potential.

Book your place
Dealer tickets start from just £149 + VAT for IMI members
PROGRAMME

8.30 Registration
9.30 Moderator’s welcome

9.40 Attracting millennials and Gen Z to the automotive retail workforce
   Steve Nash, CEO, Institute of the Motor Industry (IMI)
   The IMI explains its recruitment initiative aimed at attracting young people to motor retail, to plug the skills gap and identify talented youngsters who will be the future of the industry. Targeting 18- to 24-year-olds and 14- to 18-year-olds in different campaigns, Nash explains how dealers can both benefit and become involved.

10.05 What are we actually doing to attract talent?
    Guy Liddall, managing director, Motor Trade Select
    Do we do enough to attract, identify, manage and retain talent? Is your application process easy? Is your assessment process flexible and confidential enough to allow high flyers to take part? Do you always recruit outside, because no one in the organisation has the right skills? Does your manufacturer have the last word, and do you agree with their conclusions? Do we really want the best talent, or are they too much trouble?

10.30 Q&A
10.45 Refreshments & networking

11.10 Co-Sponsor Welcome
11.20 Creating a high-performance culture to make your team unstoppable
    Dr William Holden, chairman, Sewells
    Drawing on case studies and hard evidence both inside and outside the automotive sector, Dr Holden takes delegates beyond the company vision and values, turning them into behaviours that deliver results. He will explore the ways and means to take an organisation from where it is today to where its leaders want it to be by inspiring its people to achieve.

11.50 Initiatives to create a dynamic and diverse workplace
    Alison Fisher, group HR director, Cox Automotive
    Creating a team working culture and employing diversity in the workplace is essential for business success.

12.15 Understanding the new apprenticeship levy and new apprenticeship standards
    Mark Armitage, head of quality and assessment, IMI
    The way apprenticeships are funded and administered is undergoing fundamental change with the introduction of the government’s new levy. Some 11,000 levy paying employers are still not registered to access funding and with the new apprenticeship standards requiring more engagement from bosses, dealers need to be on board to ensure their businesses are up-to-date.

12.40 Q&A
12.55 Lunch

13.55 Panel debate
    Claire Rooms, group academy manager, Stoneacre Motor Group; Simon Bottomley, group managing director, Thurlow Nunn; Paul Craven, Head of the Toyota Lexus Academy; Martin Barrow-Starkey, head of the Volkswagen Group Academy
    The panel, made up of some of the industry’s leading figures from HR and sector academies, will debate the challenges of training and development, including their own approaches. Topics will include how talent within the business is identified and nurtured and how personal career aspirations are married to the group’s overall business objectives.

14.55 What makes a company a best company to work for?
    Andrew O’Kelly, director, partnership development Europe, Best Companies Group
    Having teamed up with AM to find the automotive retail sector’s leading employers, Best Companies Group’s O’Kelly looks at the characteristics of a great employer. Drawing on the experience of identifying the best companies to work for across the globe, this session pinpoints the key elements in some of the UK’s top workplaces.

15.20 Summing up
15.30 Refreshments & networking

To book, please visit www.ampeopleconference.co.uk

The event has already seen extensive bookings from top dealer groups and manufacturers. We expect this year’s conference to be the biggest and best ever.
Dealers’ dependence on used car sales for profitability is likely to deepen in 2018, says Cap HPI

When asked how they would fare when it came to used cars – when asked how they would fare compared with last year’s second half sales of 3,770,400, 47% expect to exceed it, 26% expect it to be roughly the same and 26% thought they would sell less.

The used market exceeded 7.7m vehicles in 2016, beating the 2015 figure of 7.2m and the previous 2004 record of 7,731,609 vehicles.

Nothard said: “New car registrations continue to struggle, but used cars are maintaining dealers’ profitability.

“Both new and used enjoyed a record year in 2016, so a decline in new car registrations in 2017 needs to be looked at in context against a strong year and seven years of successive growth.”

Dealers continue to pre-register vehicles, with 61% saying they expect to do so as part of a tactical decision to hit manufacturer targets.

Nothard added: “New car registrations are currently being driven by business, fleet and rental, with private registrations in decline.

“Pre-registration will continue to take place and three fifths of dealers say it will still account for a significant number of 2017 new car registrations. The impact of pre-registration was felt in 2016 and that is not going away this year.”

Dealers will also need to prepare for the return of potentially large numbers of vehicles funded through PCP.

“We may see large numbers of three-year-old stock returning to the market in Q4,” said Nothard. “This could put pressure on prices and erode margins.”

Finally, 31% of dealers expect more consumers to fund new car through finance this year than 2016. However, they expect even greater growth in used, with 44% confident of more used car funding compared with 2016 figures.

Dealers are confident their used car sales will grow in 2018, a new survey from automotive data experts Cap HPI has found.

Used car sales set a new record in March, with 728,525 vehicles changing hands – up 6% on the same month in 2016.

Philip Nothard, consumer and retail specialist for Cap HPI, will provide an end-of-year round-up, explore issues and opportunities into 2018 and disclose further findings from the survey, when he takes to the stage at Automotive Management Live at the Birmingham NEC on November 9.

It is only the second time since 2004 that the used market has passed 700,000 vehicles in March, while total used volumes passed 3.3 million between January and the end of June, an increase of 0.1% on 2016.

Nothard said: “Motor retailers are increasingly turning to used vehicles to support margins. To date, strong demand has helped to support stable prices in 2017. If the current trend continues, we will see a record year for used car sales.”

When asked in June to predict the UK new car registrations total for the second half of this year, 86% of dealers said they expected them to fall from the 1,272,150 registered in July to December last year.

Dealers were more optimistic when it came to used cars – when asked how they would fare compared with last year’s second half sales of 3,770,400, 47% expect to exceed it, 26% expect it to be roughly the same and 26% thought they would sell less.

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“Both new and used enjoyed a record year in 2016, so a decline in
One of the things I have learnt over the years is that it is always good to know your audience. A couple of weeks ago, I was asked by the university to write a short piece on what has become loosely termed the ‘electrification’ of Volvo.

It followed an announcement by Håkan Samuelsson, CEO of Volvo Cars, that its products from 2019 will all include an element of electric vehicle (EV) technology, which “marks the end of solely combustion engine-powered cars”. The statement was taken up by social and print media and I was asked to comment on its significance.

Like many in the industry, I expressed my admiration for the effectiveness of Volvo’s marketing and PR, inasmuch as the announcement appeared to have gained a disproportionate amount of news coverage.

The fact that Volvo is going down the hybrid and EV route is not major news – most manufacturers have been going in that direction for years and Volvo itself recently introduced hybrid versions of the XC90, XC60, S90 and V90. Let’s not forget that Toyota, which has about 80% of the global market for hybrid vehicles, launched the Prius Hybrid in the UK in 2000.

The significant part of Volvo’s statement was that it would no longer offer cars powered solely by internal combustion engines (ICE). My piece asked why Toyota or another mainstream manufacturer had not proposed the same thing.

The answer lies in the fact that the major part of Volvo’s sales take place in Europe, the US and China. These markets have the potential or the basic infrastructure to support electrification of vehicles. In other parts of the world, such as Africa and South America, a regular supply of electricity for basic needs is more of a priority than facilities to plug in an EV.

To some extent, Volvo’s announcement is an admission that it has limited plans to expand in developing markets. A cynic may also suggest that the move helps the company to meet new, more stringent EU emissions targets due to be introduced over the next few years.

People from the industry who read the piece agreed that Volvo had done well with its PR, and that it was barely newsworthy as this was the direction of travel for most manufacturers.

However, those outside the industry suggested that I was a Luddite and ‘didn’t I know that Tesla is worth more than GM’, the future was electric and how dare I say that this was not a significant move by Volvo?

I was pleased I got a response because it proved that at least someone had read the article, but I was left wondering about our ability to process the information we receive. Donald Trump has suggested to the concept of ‘fake news’ – we need a term for those outside the industry who suggested that I was a Luddite... and the future was electric.”
Don’t you and your team deserve independent recognition of your strengths? The AM Awards, the UK motor retail industry’s most credible accolades, are now open for entries. The AM Awards 2018 will be held at the ICC in Birmingham on February 8, 2018, and will acknowledge high achievers in 23 categories. New awards include Best Social Media Strategy, Best Digital Campaign, New Retailer of the Year and Digital Retailer of the Year. Entrants can include companies and individuals and previous winners range from single-site operators to the biggest national dealer groups.

So, are you in it to win it? The AM Awards judges, plus BDO, which audits our retailing categories, look forward to reading your entries. Categories are outlined right, but for full details go to am-awards.co.uk.

NOW OPEN FOR ENTRIES

AM JUDGING PANEL

Christopher Macgowan OBE, chairman of the judges

Stephen Briers, editor-in-chief, AM

Tim Rose, editor, AM

Jeremy Bennett, associate editor, AM

Piers Trenear-Thomas, industry analyst

Steve Young, managing director, International Car Distribution Programme

Steve Nash, chief executive, Institute of the Motor Industry

Professor Jim Baker, director of the Centre for Automotive Management, Loughborough University’s Business School

Ray Sommerville, industry veteran, former chief executive of Perrys

Hugh Dickerson, Google (judging digital categories only)
## THE 2018 CATEGORIES

### Best Social Media Strategy (NEW)
The judges will want to see your strategic focus on social media, how you integrate it into your operations, and how you measure its effectiveness. 
*Sponsor: Marketing Delivery*

### Best Digital Campaign (NEW)
Entries should explain the thought process involved in coming up with the campaign, the creative and channels chosen, the expected impact and the actual performance versus those expectations.

### Best Dealer Website

### Best Training and Development Programme
*Sponsor: Autoprotect*

### Excellence in Customer Service
*Sponsor: EMaC*

### Best After Sales Performance

### Best Used Car Performance
*Sponsor: Autoclenz*

### Best Fleet Operation

### Sales Team of the Year

### Used Car of the Year
*Sponsor: Car Care Plan*

### New Car of the Year
*Sponsor: Supagard*

### Franchise Partner of the Year

### Most Improved Dealership
*Sponsor: Auto Trader*

### Best Dealership
*Sponsor: Rhino Events*

### New Retailer of the Year (NEW)
This new category will recognise the early success of dealerships launched, or acquired, within the past 24 months. 
*Sponsor: DSG Financial Services*

### Best Retail Group (up to 10 sites)
*Sponsor: Jewelultra Diamondbrite*

### Best Retail Group (more than 10 sites)

### Digital Retailer of the Year (NEW)
Our judges seek entries from companies driving forward the digital agenda and truly retailing cars online.

### Dealer Principal/General Manager of the Year
*Perfect Placement Automotive Recruitment*

### Manufacturer of the Year
*Sponsor: carwow*

### Retailer of the Year
*Sponsor: Black Horse*

### Business Leader of the Year
The recipient is decided by the editor-in-chief of AM, Stephen Briers, in consultation with the AM Awards judges.

### AM Hall of Fame
Each year the ‘AM Hall of Fame’ recognises someone who has made an outstanding contribution to the automotive industry during their career. The recipient is decided by AM’s editor-in-chief, Stephen Briers.

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### THE ONLINE ENTRY SYSTEM

To familiarise yourself with our online entry system, go to am-awards.co.uk and click on the masthead link, ‘Award categories and entry process’. Here you will see the list of categories that are open to entries.

Begin by registering, providing some basic information about yourself and your company and then set your password to create your awards account. Once this is complete, you can move on to making your first entry. Each time you select an awards category, you will be given a description of the criteria and our entry requirements – everything you will need to supply so that AM can judge the entry fairly.

Your entry requires details such as the company on behalf of which you are entering and who will collect the awards should you win (if you know at this stage), plus answers to specific category questions. You can also then upload attachments, typically material supporting your entry, in PDF and image form, plus links to your digital channels when relevant.

You can save your information at any stage, in a ‘My Awards’ area, and return to it later to continue adding information, before submitting it when you are finally satisfied with your entry. If you decide later that you need to add more information ahead of the entry deadline or you simply want to review your entry after you have submitted it, you can do so via your ‘My awards’ area.

### HEADLINE AWARDS

### BDO AUDITORS

This will be our fourth year of involvement and we are pleased to bring our experience of more than 25 years working with motor retailers to support AM in its recognition of the stars of the UK motor industry. Each year, we have been impressed by the quality of the entries. We look forward to auditing this year’s entries and listening to the innovative ideas and success stories.

---

### SPONSORS

- Auto Trader
- Autoclenz
- Auto protect
- Black Horse
- Car Care Plan
- DSG Finance
- EMaC
- Marketing Delivery Services
- Motor Trade Jobs
- Rhino Events
- Supagard

Awards, please contact Paige Phillips on 01733 395133 or Paige.Phillips@ Bauermedia.co.uk

am-online.com
Peter Smyth: "Changing the way you do things in a downturn can create a self-perpetuating situation"
Recessions, whether real or threatened, can cause companies to adopt damaging behaviour. The priority this year is stability, director Peter Smyth tells Tom Sharpe

As turnover rises, profits stall and workshops become cluttered with low-margin warranty work, there is a sense at Swansway Group that the UK motor retail industry is entering a state of flux.

Although Swansway acquired three Audi and three Volkswagen Group TPS sites in December, it now intends to enter a “period of consolidation”. In a second half that could yet deliver a rocky end to 2017, it is refocusing on the basics and making stability a priority.

In his office at Swansway’s Crewe headquarters, director Peter Smyth – one of three Smyth brothers on the Swansway board, along with David and John – produces a laminated copy of a story that has become something of a mantra.

Smyth acknowledges the “hot dog story” can be found with a quick Google search, but said he read it often as Swansway weathered the 2008 recession – during which the business’s profit before tax figure fell 98.6% year-on-year, to £18,000.

The story tells of a successful hot dog seller whose business fails when he is prompted to cut corners after his “more worldly” son tells him the country is in recession.

Smyth said: “It’s an important lesson. Changing the way you do things in a downturn can create a self-perpetuating situation. Times are very uncertain at the moment, but we weathered the 2008 recession by sticking to straightforward principles and we have to do the same this time around.”

Echoing his video address to guests at this year’s AM100 Dinner, Smyth acknowledged that some dealers face a tough time in H2. He expects many to exhaust the proceeds of a buoyant Q1 as they look to bolster faltering performance.

He said: “This year so far has been a game of two halves. In the first half, we went out and scored a hat-trick. We were able to sell a lot of cars without having to pre-register and part of that was because of the changes in vehicle excise duty. Since then, Brexit negotiations have got nearer, we have had a debacle of a general election and there is huge uncertainty out there.

“The targets that we were set in the second quarter have undoubtedly been more challenging and what manufacturers have not done... is given us the tools to do the job.”

Smyth said “sensible” car dealers “made great profits in quarter one”, and then “held a little bit back to seep into quarter two”. “But by the end of quarter two, I think their ‘up the sleeve’ money will have gone.”

SALES RISE AS MARGINS FALL

Smyth said Swansway’s H1 profits were up about £500,000 year-on-year, but said it “doesn’t feel that way because we’re working harder”.

The group will want to see profits rise in 2017 – last year, its turnover rose 15.3% (to £357.9 million, from £472.6 million in 2015), but profit before tax fell 6.1% to £5.2m (following a goodwill write-off of £289,000, it was down from £6.2m in 2015).

The group sold 16% more new and used vehicles in 2016 (13,500 new and 10,000 used), but return on sales was 0.3 percentage points lower, at 1%. Swansway expects turnover to rise to about £750m in 2017, after it added sites in 2016 and revamped its used car sales.

It acquired Bolton’s Gordons Honda operation in November 2015 and 2016’s accounts show the group took advantage of £23.52m in new loans as it added a multi-franchise (Citroën, Alfa Romeo, Abarth, Fiat and Jeep) operation in Chester and a £5.5m new standalone Jaguar showroom in Crewe. It opened a standalone Land Rover facility in Stafford in January 2015.

The acquisition of Thompson Motor Group doubled its Audi representation, adding showrooms in Preston, Blackburn and Carlisle along with Volkswagen TPS centres in the same areas. The deal was facilitated by a £250,000 loan from Volkswagen UK and three loans amounting to £4.72m from Volkswagen Bank United Kingdom.

The group has also re-branded its Swansway Select used car operation as Motor Match, supported by a new website, launched in August 2016, that brought together 22 separate group-wide sites.

Despite visitor numbers falling in the 12 months since its launch (83,000 in December 2016, compared with 110,000 in December 2015), Motor Match has become a proven lead generator. Enquiries via the platform rose 55% from 8,619 a month in December 2015 to 18,980 a year later.

Swansway’s accounts show the Stafford Land Rover business made a “very satisfactory return” in 2016. Its profits trebled in its second year of operation, after it was named Land Rover Dealer of the Year and Land Rover Aftersales Dealership of the Year.

Swansway reported that its Seat dealership was unprofitable ahead of the arrival of the Ateca SUV and new versions of the Leon and Ibiza, with Honda slightly behind 2015’s performance. The FCA Group brands and Citroën were “behind expectations” and Audi and Volkswagen operations were in line with 2015, it said.

Peter Smyth’s hot dog story is at odds with the path to success of his father, Michael, who was inducted into the
AM Hall of Fame at February’s AM Awards (Swansway also won the Excellence in Aftersales award).

Michael Smyth started business as a door-to-door washing machine salesman before investing in a garage and petrol forecourt and later moving into car retail with the opening of a Toyota franchise (which later became Europe’s largest Toyota/Lexus operation) in 1967.

However, far from sticking to one line of business, Michael founded the service plan specialist Emac and also built up Elton Vehicle Contracts to become the UK’s largest privately owned leasing company before its acquisition by Abbey National. He sold his previous group, the £160m turnover RRG, to Japanese investors Marubeni Corporation in 2000.

Swansway’s business remains diverse. The group’s portfolio includes Hardy Mill Properties, a property business, and Stable Vehicle Contracts, a contract hire business that has thrived on the back of lofty manufacturer sales targets and a bonus-driven retail market in recent years.

Peter Smyth said: “A broker flourishes when there is oversupply in the market because the broker will approach the dealer group, which has whopping great targets to get the bonuses that the dealer has probably included in his management accounts up to the end of the quarter. They are prepared to sell cars at below cost.

“Our brokerage businesses are not branded as Swansway and while it supplies our own branded vehicles, we supply less than 20% to them – 80% come from other, larger dealer groups.

“There is oversupply in the market and that’s very short-sighted of the manufacturer, because they actually lose contact with who the actual customer is.”

Smyth said the face of the premium car customer is changing into a “promiscuous consumer” who is not interested in a particular brand, but simply wants to drive a car that fits their monthly budget.

He is a supporter of the PCP finance product, which has attracted negative publicity recently (see ‘Dealers defend PCPs from press attacks’ in AM August).

However, Smyth acknowledges that there are drawbacks. He said manufacturers that attach some of the dealers’ margin to their PCP renewal rate “could promote unfair activity as far as the customer is concerned”, adding: “The renewals aspect is the bit that puts pressure on the dealer.

“I think that is, in some cases, forcing customers further and further into a negative equity situation.”

Expressing what he saw as the market’s reliance on PCPs, Smyth warned in August: “If the market were to go back to selling hire purchase over 36 months with a 20% deposit, be in no doubt – the market would crash. But I don’t see that happening.”

CLEANING UP AFTERSALES

Another practical consideration presented by the monthly repayment model is the cost of servicing and consumables to customers.

“People are gaining access to this premium brand, perhaps for the first time, thanks to a PCP, and when things go wrong or they need servicing it can come as a shock how much it costs,” said Smyth. “You can pay £400 per tyre on some of our cars.”

Swansway has worked hard to streamline its aftersales operations over the past two years after its marketing department highlighted the incomplete nature of the customer data on its DMS system.
Paul Woodhead group aftersales director for the Swansway Group won the ‘Excellence in Aftersales’ category – sponsored by Fuchs Lubricants at the AM Awards held at the ICC in Birmingham on February 9.

The AM Awards are dedicated to acknowledging exemplary performance and innovation which is fundamentally important to the automotive industry. Because of its company philosophy and credentials Fuchs felt it was the natural choice to sponsor the ‘Excellence in Aftersales’ category again for 2017.

The award was presented by Robert East head of business development at Fuchs Lubricants. He said the evening was the highlight of the year for the industry and a prestigious occasion. Fuchs Lubricants was again proud to have been involved as a sponsor of this year’s celebrations.

With former group aftersales director Paul Woodhead – now its Audi brand director – Swansway targeted 80% accuracy by establishing an aftersales team that met service managers, parts managers, retailers and retailer support managers and their teams to establish areas of focus.

Achieving retail service targets and CSI scores above the manufacturer’s averages were also key objectives.

Swansway cleansed existing customer data against the DVLA and Census databases and Peter joined his brothers, David and John, on a tour of dealerships to reiterate the importance of accurate data.

One simple development that aided the data-gathering process at its initial stages was to empower finance departments, which were often setting up a customer account from the last in a triplicate receipt document.

Smyth said: “That finance team had to know that they were the primary focus of the data input process. The sales team had to gather it, but they had to make doubly sure that it was of good quality when they input it.”

Smyth said data quality is now 85%, but falling. He and his fellow directors are preparing for another tour to refocus employees’ data-gathering efforts.

Other changes to Swansway’s aftersales operations include centralising pre-delivery inspections (PDIS) at a prep centre in Crewe to liberate extra time in dealership workshops and the introduction of a car park ‘meeter and greeter’ to welcome customers by name.

The changes helped the business to realise a £1.1m rise in labour gross profit and £680,000 in parts retained gross profit year-on-year in its 2016 accounts.

Aftersales revenues totalled £34.1m in 2016, up 7.6% on 2015’s £29m.

DRIVING EFFICIENCY IN THE WORKSHOP

Group aftersales director Duncan Sands, who arrived in the business from Volkswagen UK in October, said that timely customer contact has been made possible by the group’s data cleansing activity, but that an efficient workshop is the main goal.

Retail work is prioritised at the start of the day to allow time for customers to be alerted to any issues or red or amber work that may need to be carried out. Sands said: “If you call a customer mid-afternoon and tell them they need work doing, but you can’t fit it in that day, it’s already too late. You’ve lost them.”

He also scoffs at the notion that booking workshops at more than 100% capacity would maximise efficiency, citing 70% to 75% as the ‘sweet spot’.

Smyth agreed. He said: “If you book
The ‘what’s your best price?’ call

Here’s how to convert more of these calls into a confirmed showroom appointment, says Simon Bowkett of Symco Training

No matter what you do to try to control incoming telephone sales enquiries and set up a showroom appointment, a lot of potential buyers are going to insist that they “just want to know what’s your best price on this car”. So how do you deal with that effectively?

The first thing I would do is say: “Sir, getting the figures right is the easiest part of my job, just because I’m part of the Symco Group. We’re one of the biggest dealer groups in the country and one of the biggest (franchise) dealers in the area, and we didn’t get there by not getting the numbers right. “But unless the car is exactly right for you, no price is going to be good enough. So, when’s a good time for us to get together and make sure it is the right one? Is that going to be more Saturday, or Sunday? Sunday? Great, morning or afternoon? About 11.00am, OK, let me have a look in my diary... Any chance you could make it 11.15? Just to make sure I’m available for you? Splendid, thanks.”

Key points
Let’s look at some of the key elements in that word track. First, “getting the figures right is the easiest part of my job”. Is it? Probably not, so why tell the customer it is? Because I want it to be a self-fulfilling prophecy.

Notice also how I am going straight back into the appointment after answering the objection. Every single time I get a call like this, I’m going to offer a choice of two alternatives. You may be surprised at how well this can work.

Word track for smaller dealers
But what if you work for a small independent dealership rather than “one of the country’s biggest dealer groups”? You can easily change the wording: “Getting the figures right is the easiest part of my job, because we don’t have the overheads that some of the big dealer groups do.”

Adopt this word track to suit your own style, give it a try the next time you’re taking a call from a customer who’s calling to find out the price of a car and watch my new sales training video on the AM website (am-online.com/symcotraining, or at symcotraining.co.uk) for more tips on handling this vital source of new vehicle sales.

Visit our website for a free training trial
To find out how our low-cost, IMI-approved online training programme can help train your team, visit symcotraining.co.uk/free trial and start your FREE trial today.
MINUTES WITH...

Tim Smith, head of motor finance, Black Horse

Are all the recent newspaper headlines about PCP and motor finance crashing being alarmist?

PCPs have been a big success story. The strength of the market has been sustained over time and that shows you that customers have bought and bought again, and have generally been very happy. It will be interesting post-Brexit, but there’s good room for development. Focusing on penetration is probably the wrong way to look at it nowadays, it’s all about meeting customer needs and how we can continually look at ways to improve the way we do that, and that boils down to the real drive in the industry for transparency.

The more customers can understand the product and what it means for them, the more likely they will buy again, which is critical, and the more likely they will recommend friends to buy from dealers. The fundamental points are customer needs and transparency and real clarity.

What progress can the industry make on that?

One angle is the constant drive for professionalism in the showroom, and that’s a key focus of my role in the Finance and Leasing Association (Smith is chairman of the FLA’s motor finance division) and at Black Horse. The industry has heavily invested in training and finance accreditation under SAF (Specialist Automotive Finance). The vast majority of the 50 largest dealers are SAF-accredited, so we have made a real footprint with that programme. At the moment, we have about 31,000 people taking this test every year.

But it’s getting everybody up to that standard across the industry, so we have a really good baseline. We’ve all seen the recent press, and that shows that our hard-pressed salespeople in showrooms really need to think, with every single customer, that if they were secretly videoing them to put it on YouTube, would they sleep soundly that night? I think it’s a good thing, in driving serious consideration about what people say and do, and it can only further lift standards, which have already jumped in recent years.

What’s your view on the scrutiny motor finance is under?

The motor finance industry has grown to be around a third of the consumer credit market, and of course it will get scrutiny from the regulator and from the press. We should not only expect that, but be prepared to push things beyond where the regulator currently is. That epitomises what I’m trying to accomplish at the FLA. We’ve made some great changes in this industry, but we’ve got to keep moving ahead in collaboration with the regulators and dealer partners, and show that we can continue to be responsible in taking the industry forward.

How will SAF evolve?

Looking at other connected industries like insurance, the regulators tend to like level 3, or A-level equivalent, qualifications. Currently, SAF is not accredited – it’s a very good test, but it is not invigilated. Then there is SAF Advanced, which is much more involved in terms of study and has an invigilated test for a genuine Level 2 qualification (Certificate for Automotive Finance Specialists). We have found that SAF Advanced has had quite a strong take-up from finance companies, but not so much from dealers.

So we are working on modularising the whole process. There will be a SAF start course, moving a Level 2 with the same information currently for the SAF test, and then build in two further modules to take it to a Level 3 qualification. We’re conscious that staff turnover is a challenge for the industry, and if we put in too many onerous, invigilated exams that require long-term study, it just won’t happen. But our absolute aim is Level 3 and that will really lift the standards of professionalism.

How will technology help the motor finance sector?

Digital (technology) will also be a real opportunity to get terms and conditions, and difficult regulatory processes, across to customers in a clear way. Currently, there is a lot to go through when they are sitting there waiting to get their shiny new car, so we need to make that really digestible. With digital technology, they could be sitting in their own home watching personalised videos of information, rather than going through pages and pages.

At Black Horse, we allow the customer...
Some onlookers suggest motor retail is behind the curve in providing a full online experience, partly due to the complexity of handling part-exchanges and finance. What’s your view?
The answer is a simple one, but delivering it to the required security standards is complicated and difficult technically. That’s the battle. But once you’re in that space, you can get some real traction.

Obviously, you want to be ground-breaking, but there’s no point being ground-breaking if you’ve not got super-secure, robust systems around it. That’s why we’re taking our time doing it, we’ve got to get it right. This has to make us industry leaders for the next 30 years at point of sale, on top of the 30 years we’ve just had. (Black Horse has a 14% share of the motor finance market, and provides finance through 2,600 dealers operating 6,000 dealerships).

I think it’s healthy to have that perception [fear of the FCA]. This is a dragon with teeth, if it needs them. It’s in an exploratory phase at the moment, and it’s important that that point is noted. Some people pick up on a few words from an FCA business statement and assume there’s something there, when it’s obvious the FCA will want to see how the engine works. It’s not long since we were all authorised, and the FCA is moving at quite a pace through this.

The FCA is important in all of this, but a lot of it is basically about doing the right thing. Giving the customers great value, meeting their needs and making sure you are giving great outcomes so they come back and you are building up the number of customers coming through, is the way to do business these days.

Some finance houses have changed their incentives following FCA regulation. What’s your view on that?
Obviously, ladder-based rewards are history. Goals of penetration and market growth are not in the picture, in terms of how we review our dealers now, as it’s all about customer outcomes. Reviews are about ensuring every customer that came in has gone through a good process and that we are not seeing any worrying signs or trends.

What other sectors can dealers learn from?
In terms of affordability, we can certainly learn a lot from the mortgage industry. I think affordability has to be strengthened across the industry. My view is, going back to basic integrity here, when you’re looking to buy a house, you do ask yourself ‘Can I actually afford this? Can I do this for 20 years? What might the future hold? If I miss a payment what happens?’ These really important bits aren’t just tick boxes and protocol on pieces of paper handed to the customer. It’s a moment when the customer really has to think if they can afford it. We have learnt a lot from mortgages and brought it into the Black Horse process, and I would like to drive that even further in the industry.

Might regulation have even helped dealers?
It helped people understand what is required. Systems and processes are an important part of it, but it’s all about customer need. If that’s at the heart, you tend to find everything flows away from that. Dealers have made big strides forward, it really has professionalised how they record what they do with customers.

Is the industry now ripe for more innovation in the finance space?
I think there will be things naturally emerging and happening, but there needs to be a clear view that these must be very beneficial to a customer and have their needs at the core, to be responsibly lent on, so meet all the regulatory requirements. People will always look at ways to help people afford what they want to afford. We have to make sure those products do the job well, and if there’s room to simplify and do things in an even more straightforward way for customers that can only be positive, Tim Rose
Imagine a world where your used stock could be appraised, SMART/bodyshop repaired, valeted & imaged within 72 hours of arriving on site. This is a reality with Autoclenz and our fully managed outsource solution.

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Anyone promoted to run a dealer group’s biggest site could be forgiven for taking time to get on board, but when Nick Beevis took over Perrys Aylesbury, it was on the eve of a plate-change September and, within months, he had closed two loss-making departments.

It has paid off for Beevis – he grew profits at Perrys Aylesbury by £1.2 million in his first year, which contributed to him winning the AM Award for general manager of the year.

However, when he joined Perrys as an accounts assistant in 1998, aged 17, he never expected it would lead to the position he holds today.

“It was just a summer job for me to pay for a holiday,” he said. But the allure of the sales floor was overwhelming and by 2001, Beevis was selling cars at Perrys Milton Keynes.

In 2007, following a stint in fleet and commercial sales, Perrys promoted him to controller for Peugeot new car sales.

Beevis first joined its Aylesbury site in 2010, as sales manager for Ford and Seat. He left in 2014 to run a standalone Ford dealership for a year before his current role became available.

“My first full month was a plate-change month – it was a very strong September.”

Continuing demand for new cars in 2016 allowed Beevis to increase sales, volume and profitability from the first month.

His multi-brand dealership employs 170 staff, holds seven franchises including commercial vehicles and operates its own SMART repair business.

Beevis has a keen eye for opportunity – an attribute which has served him well, not only in his personal development, but for the benefit of the business.

He quickly realised the dealership could operate more successfully if it treated every manufacturer differently.

“It’s very easy to have one standard for this dealership. We are not a ‘standard’ dealership – we are unique, so we have to operate differently.

“Our earnings opportunity from every manufacturer is different. Our routes to market are different – some franchises are more PCP-led than others, for example.”

In addressing those differences, Beevis paid credit to both the group and the Aylesbury management team.

“We had to get the brand champions in place for each manufacturer. Luckily, I came to a very stable management team...
with strong knowledge and it was quite easy to look at how to maximise each brand. With some, you’re going for volume, some you go for margin.

“I had fantastic support from the group with this – we are able to go to manufacturers every quarter and entertain any offerings that are there.”

By actively engaging with offers, the dealership grew incentive income by 87% in one year.

However, Beevis also faced some challenges. One of his first big decisions was to remove fleet work from the Aylesbury site and focus on retail customers.

“We were feeding our workshop with fleet work. It was stopping our customers booking in because our lead times were too long.

“It’s a big decision to say ‘let’s stop fleet’. When you take into account the additional costs, you had to ask was this profitable or was it holding us back?”

Freeing up the workshops allowed Beevis to slash lead times and boost service plan sales. He also moved used car preparation off-site and re-negotiated storage agreements to maximise the focus on retail customers.

The Aylesbury site operated its own body-shop with a staff of 30, but this was also losing money, so Perrys Group decided to close it.

Beevis explained: “Financially, it hadn’t worked for us for a number of years. It was a tough decision to close the bodyshop. We were dealing with people’s employment and people’s lives.

“Looking back, it was the right decision. We did it in the right way and everybody that left us was in employment before their final day.”

What Beevis did instead was launch a SMART repair business, which now has eight employees and runs seven vans serving local Perrys sites and local dealers.

“We haven’t increased our group spend on paint or paintwork, we’ve just kept it internally. We are big enough to service ourselves. We should be able to do our own paintwork, servicing and repairs,” he said.

His next initiative was to purchase Tri-Reg Signs.

“It already did all the sign-writing for our vehicles and the opportunity arose to purchase it, so we did.

“Already, it is working for us. We are producing health and safety labels for the entire group, and doing all the vehicle and van livery locally.

“What we are doing is making ourselves self-contained. It has added a revenue stream for us and provided a level of service for the local Perrys and non-Perrys dealerships.”

For Beevis, having a happy workforce is paramount.

“I’m a people person and I like to spend time and energy with our customers. If you engage with your employees and you help them, go the extra mile for them, they repay you time and time again.”

Having a large team is challenging, but Beevis believes it’s important to work to your strengths and never stop learning from what others are doing.

“We have all of these businesses and opportunities – I don’t know everything and I’m still very much learning, but I want to soak this up and see what other people are doing.

“I want to continue on this journey that I started and see where it can take me,” he said.

“The job I have here is ever-changing and I am nowhere near finished. I get excited by the possibilities for this site.”

**NICK BEEVIS, PERRYS AYLESBURY**

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By Phill Jones, managing director, Motors.co.uk

It was a pleasure to present Nick Beevis, from Perrys Aylesbury, with the Dealer Principal/General Manager of the Year award.

Motors.co.uk’s relationships with UK car dealerships give us unique insight into their businesses and we understand the hard work Nick has invested to successfully oversee a multi-brand business; making life enjoyable on the forecourts for consumers and more than 150 staff.

We believe that while online car search websites have become consumers’ first touch point with dealerships, the car dealer’s role remains vital to the car-buying process.

General managers are now under more pressure than ever to run dealerships that are both welcoming and efficient.

Consumers rely on a car dealer’s expertise so they can feel confident completing a purchase. Nick has demonstrated how to adapt to a fast-changing automotive industry and give his staff the tools they need to help customers find the right car.
UK boss Dan Balmer believes the carmaker’s first SUV and a doubling of production capacity will please its 21 dealers, reports Tom Sharpe

When a dealer group that sits in the top third of the AM100 cites the success of a temporary franchise location in its annual financial statement, it suggests a brand on the move.

Mark Lavery, the managing director of Cambria Automobiles, sang the praises of Aston Martin when he likened the effect of the new DB11 on registrations to that of Jaguar’s F-Pace in the first half of 2017.

“The DB11 is flowing through and sits alongside the F-Pace in having had a transformative effect,” said Lavery, who was celebrating the immediate profitability of Cambria’s new Aston Martin franchise on Kenilworth Rd, Hampton in Arden, Solihull.

“We bought a temporary piece of freehold, set up an Aston Martin dealership with no database and will make a profit in the first full year,” he said.

Cambria has Aston Martin sites in Birmingham, Welwyn and Brentwood. Alongside Pendragon, it is the brand’s biggest UK dealer partner in a 21-strong network.

In the past 12 months, Dick Lovett, Stoneacre and Sytner have also become Aston Martin franchisees. This is happening alongside Aston Martin’s corporate identity makeover and its ‘Second Century’ plan to double vehicle production from 3,687 in 2016 to more than 7,000 in 2018.

Aston Martin needs to boost those volumes to become viable – it holds the unenviable record of having survived seven periods of insolvency.

Since 2008, when it was acquired from Ford, Aston has been owned by two investment funds in Kuwait and the Italian-based private equity fund Investindustrial, which used to own Ducati.

Daimler also owns 5% as part of a deal to supply Mercedes-AMG V8 engines and electronic technology for future vehicles.

In July 2016, Aston Martin reported that its investment in new product had resulted in pre-tax losses of £128 million in 2015, up on 2014’s £71.9m, despite an 8.5% increase in revenues (to £510m) and a 4% increase in sales (from 3,500 to 3,615).

It had spent £161m on product development and prepared to commit £200m to a new production facility in Wales.

In May, however, the brand posted a second successive quarter of profits for the first time in a decade, a £5.9m pre-tax profit during Q1, up from a loss of £27.7m a year earlier.

The results came ahead of H1 registration figures, which showed the DB11’s success contributed to Aston Martin more than doubling its registrations from the same period a year earlier – from 467 to 982. That 110% increase contrasts with a 1.5% fall in overall UK registrations in the same period.

Aston Martin has improved its full-year forecast to revenues of more than £800m in 2017 (2016: £593.5m).

The brand also completed a £550m refinancing of its debts during Q1, saving more than £10m a year in interest payments.

Mark Wilson, executive vice-president and chief financial officer, said the deal would deliver “a solid financial platform on which to continue to grow”.

The pace of change has been relentless” Dan Balmer, recently appointed Aston Martin’s president for the UK and South Africa, attributes the pace of recent change to the arrival of president and chief executive, Andy Palmer, from Nissan in 2014.

“The first thing he did was attend the Paris Motor Show,” recalled Balmer, who was formerly Aston’s global marketing director.
Aston Martin is expanding its production capacity with a new facility in Wales.

Aston Martin is going to go from 3,500 to 7,000 units globally that will boost business.

That’s why dealers see us now and want to invest,” said Balmer. “They see that if Aston Martin is going to go from 3,500 to 7,000 units globally that will boost business.”

Arun Balmer, Aston Martin

A run of 150 RapidEs will be built as part of a £50m deal with Chinese venture capital company ChinaEquity to meet China’s 2020 fuel economy targets.

Commenting on the Government’s plans to ban the sale of purely diesel- or petrol-driven vehicles from 2040, Palmer said the British car industry remains “deeply rooted in gasoline and diesel.”

He added: “The UK excels at premium and luxury cars, from Bentley and Rolls-Royce to Aston Martin and McLaren.”

“But luxury car buyers around the world in 2040 will still require gasoline engines.

“If your home market suddenly bans gasoline, then really practically speaking, where are we going to test the things?”

Investing in the brand: a new CI

Despite the addition of EVs, Balmer said charging infrastructure was not a prerequisite for recently developed showrooms.

He said: “Obviously, Aston Martin needs to invest in that, but RapidE is a limited-run project for us and when we know how the allocation is to be organised we’ll know which dealers need to be brought up to spec.”

Aston Martin’s ‘Barcelona Palladium’ corporate identity features sandstone tiles, green-tinted glass and the option of a display car that appears to float on water – aping those at Gaydon – along with a ‘Q by Aston Martin’ lounge, where dealers see us now and want to invest. They see that if Aston Martin is going to go from 3,500 to 7,000 units that will boost business.

Dealers see us now and want to invest. They see that if Aston Martin is going to go from 3,500 to 7,000 units that will boost business.

DAN BALMER, ASTON MARTIN

Aston Martin’s ‘Second Century’ plan schedules a product launch every nine months. Balmer said the brand was “only five to 10%” of the way through its nine months. Balmer said the brand was “only five to 10%” of the way through its nine months.

“He got us together on the stand and started to make plans for the following year’s Geneva Motor Show. We were all a little stunned. The pace of change since then has been relentless.

“Straightaway, he started talking about the DBS concept. Then 2016 was all about DB11, and, this year, Geneva was all about the launch of AMR and Valkyrie.”

AMR seeks to forge stronger ties with the future of Aston Martin Racing, following the team’s success in the FIA World Endurance Championship and a GTE Pro class win at the 2017 Le Mans 24-hour race.

The Valkyrie is an Aston Martin hypercar created with Red Bull Racing.

Limited to a production run of 99, the Valkyrie will have a 6.5-litre V12 Cosworth engine as part of a hybrid drivetrain and is expected to cost £2m-£3m.

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One Aston Martin dealer’s embrace of the bespoke possibilities of the ‘Q by Aston Martin’ concept has captured the headlines in recent months. Earlier this year, Jardine’s Cambridge operation completed the handover of eight V12 Vantage S Spitfire 80 cars to celebrate the 80th anniversary of the Supermarine Spitfire’s first flight as part of a campaign that fused a sales drive with marketing, PR and charity work. The handover took place at IWM Duxford, Cambridgeshire, and saw Jardine customers take to the air with flight operators Classic Wings, enjoy an armoured vehicle driving experience, a personal tour of the abashing museum and a talk from a WWII Spitfire pilot.

Jardine’s Cambridge operation is now repeating the format with the “Red 10”, a limited-run of 10 Vanquish S cars to celebrate the RAF’s Red Arrows. The Vantage Spitfire sale resulted in donations to the RAF Benevolent Fund and one of the bespoke Vanquish S cars is being raffled off for the charity.

Balmer said: “Spitfire, and soon the Red Arrows, are great examples of one dealer taking the themes of Q by Aston Martin and hinging it on a centre story. “Jardine, at Aston Martin Cambridge, have done a great job of encapsulating what matters to their region, their area. “There’s a great strength in that marketing and it captures what Aston Martin is all about. It’s about built-to-order cars, but it stretches our ability to take a blank canvas car and make it into something very special.”

customers can spec their vehicle. Sites in Bristol, Manchester, Mayfair, Nottingham, Newcastle, Reading and Wimslow subscribe to the new CI.

Balmer was unwilling to be drawn on the cost of the CI update or dealers’ return-on-sales, but Aston Martin hopes its growth will deliver more used vehicles and aftersales opportunity.

This year’s new car sales surge has seen its new to used ratio of 3:1 shift in favour of the new product, he said.

The ‘Timeless’ approved used scheme carries out 114-point checks and provides a one-year factory warranty. Customers also receive a 20% discount on accessories for three months.

Balmer said offering its own finance – Aston Martin Financial Services (AMFS) is underwritten by Alphera – and the reassurance of standard five-year service plans introduced with the DB11, gave dealers greater opportunities to introduce customers to the brand.

Of the network’s finance business, 40% is with AMFS, with much of that in PCP. Balmer said: “It’s not really about affordability. It’s a smarter way of buying a car on retail finance.”

Aftersales: opportunity and expertise

Aston Martin wants its dealerships to be a “destination”, but Balmer acknowledges some customers’ desire for distance.

Covering an area that includes Cornwall in the south and Pembrokeshire to the west, Dick Lovett’s Bristol facility employs a transporter to deliver vehicles to and from the workshop.

However, Balmer insisted that experienced and “rigorously trained” technicians are often involved in face-to-face discussions with customers. Their specialist skills require many new Aston Martin facilities to take on staff from operators they replaced.

Shaun Foweather, managing director at Stoneacre, told AM that two of its recruits for the workshop in Newcastle had a combined 53 years’ experience with Aston Martin.

Balmer said: “Myself and Andy Palmer were apprentices, so we’ve invested in that too. There is a long-term challenge to bring people up to standard.”

The Aston Martin Technical Academy at Gaydon is seen as one answer to that challenge – it is training 750 new staff for the new production facility in Wales.

Dealership staff from Aston Martin’s network of 167 global retail sites also visit Gaydon for induction and training.

Balmer said: “It’s essential that customer-facing roles in the network are filled by people who have seen the hand-built construction process with their own eyes.”

I recently finished reading a book called Make Your Bed by Admiral William H. McRaven. In it he writes of 10 lessons he learnt as a Navy SEAL. I recommend the book and wanted to share two of the lessons in particular that stood out to me.

First, “You Must Dare Greatly” – in this, Adm McRaven complements the SAS motto and urges one to slide down the obstacles head-first. Second is “Never, ever quit” in which he urges “don’t ever, ever ring the bell”.

Rather poetically, this coincides with Trusted Dealers’ new marketing and pricing initiatives. We have just launched a new branding and remarketing campaign for Trusted Dealers, which focuses on the top three of our 10 Points of Difference for consumers. We did some market research and established that a full pre-delivery mechanical inspection, theft and write-off checks and checks that there is no outstanding finance are most important to consumers.

We have also launched three pricing models; an advertising tenancy, a cost-per-lead model and a cost-per-sale model. This means advertisers can choose between a budget-friendly fixed fee, a performance-based lead-generation model or literally pay as you go, pay per sale.

This has proven incredibly popular among the dealers we trialled it with, so in a competitive market, there are opportunities for you to take an unfair share by promoting your stock on Trusted Dealers. If you would like more information or would just like a complimentary copy of Make Your Bed, drop me a line and seize the day.

If you would like more information, please give me a call on 01423 206 272, or email neil@trusteddealers.co.uk.

![One of Jardine's 'Red 10' Vanquish S models](image-url)
mfldirect.co.uk remarkets thousands of ex-Motability, low mileage, single-owner vehicles each week. There are no hidden fees or charges and every vehicle is dealer maintained.

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Facing future challenges and opportunities together

The Insight Theatre will run throughout the day with expert speakers focusing on topics which are creating challenges for the industry. The Insight Theatre explores Data – the new General Data Protection Regulations (GDPR) which come into force next year; F&I – including exploring what’s on the horizon and the regulator’s forthcoming review; and Used Cars – how the market is likely to play as 2017 closes and what’s in store for next year.

Insight Theatre speakers confirmed so far...

**F&I seminar**
Exploring the 2018 Financial Conduct Authority Review and what could be on the regulator’s agenda

Andrew Smith, consumer credit director, Compliancy Services, FCA compliance consultancy

Focusing on the 2018 Financial Conduct Authority (FCA) review into motor finance, the main issues on the regulator’s agenda, the likely outcome and next steps based on similar reviews which have taken place in other sectors. Exploring the measures which need to be put in place and how dealer groups can best prepare, Smith also asks whether the sector has made the culture shift needed to perform in a highly regulated environment. He also intends to bust myths following media reports of the so-called ‘mis-selling’ of PCP.

**GDPR seminar**
Exploring some of the practices to aid GDPR compliance

Sponsors of the Data Insight Theatre, PKF Cooper Parry, will host a session that will look at how the digital landscape is changing, with a particular focus on cybercrime and GDPR. It will investigate how criminals are trying to damage your business and how you can protect your systems against cyberattack. PKF Cooper Parry will also examine how GDPR will change the way dealerships will have to collect, store and process data in the future.

Dan Moore, director of IT consultancy, PKF Cooper Parry

Jenai Nissim, legal director, data protection and privacy, TLT

GDPR introduces new accountability and compliance requirements for all organisations that process personal data together with an increase in the level of fines for non-compliance of the regulations. Discover some of the practices which dealers need to have in place now; exploring ways dealers can ensure they are on the road to compliance. This session offers some practical guidance, raises questions about dealers’ current approach to GDPR and identifies areas of focus.
Insight Theatre sponsors TRUSTPILOT

TRUSTPILOT

Research from review site TRUSTPILOT and the Centre for Economics and Business (Cebr) predicts around a fifth of all cars will be sold online by 2027. Reviews are already an all-important stage in the buyer’s journey and their relevance will increase as more of the buying process takes place online. This session explores consumer attitudes to reviews and trends while also providing guidance on ways to monitor, manage and respond to consumer comment.

Opportunities and challenges in the used car market

Philip Notthard, retail and consumer specialist, cap hpi

With 2016 a record year for used car sales and 2017 expected to see further gains, this session explores some of the opportunities which have arisen and those which could come such as growing ULEV popularity and the move away from diesel. This session also discusses what’s on the horizon and the increased use of sophisticated analysis influencing the understanding of the used car market and consumer buying behaviours plus the diversification of sales channels.

Top 10 reasons to attend

Providing the opportunity to further your understanding of an increasingly complex retail environment with the help of seminars and access to an array of exhibitors, Automotive Management Live also acts as a platform for dealers, manufacturers and suppliers to come together to share ideas and shape the future of the sector.

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4. Compare a wide range of products and services
5. Find out what could be in store under the FCA’s 2018 review into the sector
6. Prepare for new data protection regulations
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Profit clinic
Mike Jones, chairman, ASE

Highlighting revenue-boosting activities, Jones will draw on ASE’s vast library of best practice and will look at the top 10 elements that set the most profitable dealers apart, particularly following tough months, such as April and May. Jones will also discuss how the market is likely to perform in the second half of this year.
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Alphera Financial Services
Keeping an eye on your cash
Navigating the cash flow peaks and troughs

Managing cash flow is essential in any business, but the more pronounced peaks and troughs of motor retail – made worse by events such as the VED road tax change and Brexit uncertainty – make effective cash flow management even more of a challenge for car dealers.

Robust forecasting and a solid relationship with franchise partners and the bank manager are the starting points for tackling issues with liquidity, according to Paul Daly, a partner at UKY Hacker Young. He said: "The peaks and troughs of the year are a reality issue. Dealers can often be cash flow-negative before bonuses for the quarter are collected, with dealers making a loss on cars until that bonus comes in."

The pressure from volume targets can then bias activity on registrations towards the end of quarters, with the market loading 50% of targeted registrations on the last two days of the month.

Mike Jones, ASE chairman, said the size of the quarterly bonuses varies greatly between franchises, but most are paid at the end of the quarter.

Craig Fraser, Harratts’ operations director, said: "It’s really difficult to generalise, but clearly Q1 will be the biggest, followed by Q3, then either Q4 and Q2, but these can change depending on activity with used cars, aftersales etc.

"There is barely a dealer in the UK that would make a profit without the bonus payments."

Keith Parry, head of motor retail at Barclays Corporate Banking, said: "Few industries have such dramatic monthly cash flow swings."

Parry said: "Even very experienced financial directors can be caught out, particularly if a manufacturer has moved the direct debit date."

Daly said: "He recommends reviewing stock-funding facilities with dealers to give up-front bonus payments at the start of the quarter. If targets aren’t met, the money has to be paid back."

"Some manufacturers will give you a total quarter target, but if you hit a month one ‘fast start’ target, they will release some bonus payment early, which can also help."

"Fraser said the biggest aspect of managing the financial peaks and troughs is a focus on improving profit in periods other than the ends of quarters, as well as getting the cost base of the business as tight as possible to absorb any shocks."

Parry said that due to the predictability of the plate-change peaks, it is relatively easy to plan flexibility with overdraft facilities.

However, the peaks throughout the year are becoming more frequent and more unpredictable, he said. "They are not to the same level as March and September, but quarter-end deals outside those peak months are happening with deals from the manufacturer that are not to be missed."

"There are those with the cash flow out there that can carefully manage those deals, but dealers that don’t have reserves shouldn’t find themselves in a position where they are being forced to participate to achieve bonus. If they do find themselves in that position, they should be having a serious conversation with their franchise partner."

GET YOUR FORECASTING RIGHT

Daly said the most important thing in addressing cash flow issues is to put a robust forecasting plan together, looking four to six weeks in advance, which helps to avoid the ‘head in the sand mentality’ that banks and manufacturers ‘don’t want to see’.

Forecasting depends on a good overview of the order book, which Daly said some businesses still lack: "It’s all about looking ahead and being prepared."

Daly said it can be a lot of work to introduce new digital disciplines across multiple sites: "While there is still value in the visual of the whiteboard, dealers need to compile this data digitally and you need the order book to have information in exact values, whether it’s cash or finance, when it is due to be delivered, to really help with the forecasting. A lot of the time that detail is not there."

Jones said dealers should focus on the things inside their control, backed up by daily meetings about debtors and sales and accounts teams that are ‘talking with each other.’

"A good relationship with your bank is vital. The banks have moved on from granting temporary overdrafts over the phone. They are now looking at affordability and dealers need to do more prep and need more support from the finance team."

DO NOT SIT ON STOCK

Fraser said: "Every car that can be funded should be. You want to make sure you are trading out of auction cars as quickly as possible and you are not sitting on stock."

Harratts uses Manheim’s Seller Advance to get cash back to the business from auction stock within three days by BACS transfer, rather than alternatives that can take as much as 10 days.

Fraser said: "It means you have cash coming back in quickly."

Daly said stock-funding facilities are one of the first things that should be looked at in a cash flow review. He recommends reviewing stock-funding facilities with the manufacturers’ finance houses – what facilities does the dealer have in place for new, used and demos and is it balanced correctly?

Daly said: ‘‘You may have £2m on new, £1m on demos and £1m on used. It may turn out that you only need £1.5m on new, so you can move facilities to help fund used and demo stock to free up cash."

‘‘The key point is, as an owner or dealer principal, are you getting data on how many vehicles are in..."
THE PEAKS AND TROUGHS OF THE YEAR ARE A MASSIVE ISSUE. DEALERS CAN OFTEN BE CASH FLOW-NEGATIVE BEFORE BONUSES FOR THE QUARTER ARE COLLECTED

PAUL DALY, DFT HACKER YOUNG

Dealers’ biggest outgoings will be payroll and there’s not much they can do about those terms. However, Fraser said while it is good business to make sure any suppliers are paid within the terms set, it is possible to give partners a heads-up on specific months where payment terms may need to be stretched.

There should also be good communication between the dealer and manufacturer about when a direct debit will be taken for stock.

Parry said: “If the manufacturer decides to pull a direct debit a day early on a lot of cars, that can have a big impact on cash flow.

“A day late or a day early can make a massive difference. You don’t want any surprises.” Some manufacturers will put vehicles on a free stocking finance plan, but that only lasts for a certain number of days.

Parry said dealers can miss when vehicles fall off that free stocking plan and be in a position where there is no re-financing in place.

Daly said being able to give visibility on whether facilities will be breached four to six weeks out gives manufacturers confidence that they are dealing with someone who is in control of their business.

He said: “In some cases, with enough warning, manufacturers may even delay direct debits to help free up cash.”

HMRC AND VAT

Dealers who are really under pressure for cash can apply for a special “time to pay” extension on tax bills to the HMRC.

However, this can only be done once every couple of years and, according to Fraser, the taxman will only be understanding if it’s a rare occasion.

Daly said some manufacturers are providing a VAT invoice at the point the vehicle is consigned. This means the dealer can claim back the 20% VAT and then they don’t have to pay out that tax until the quarter the car is sold.

The net impact is that dealers have the VAT on consignment stock sitting within their cash flow.

Daly said: “This is really helping dealers at the moment, as consignment stock levels are incredibly high.

“It’s a bit of a perverse situation where high stock levels are helping to boost cash flow, but if stock levels drop, this arrangement will be put into reverse with VAT being paid back again.”

PREDICTIONS FOR 2017

Jones said dealers are “working their backsides off” to close out the year after the industry saw a record Q1, but a much quieter Q2.

He said: “I think the industry is reasonably positive about profits for the year as a whole. It’s still too early to call. Dealers are up against a record year in 2016, so it will be tough.

“We’ll have to see how things ramp up and whether the market will be pushed.”

Parry said he has seen some manufacturers revisiting targets in light of the slowdown of Q2 into the close of the year.

He said: “However they do it, manufacturers need to adjust to a reducing market to protect dealer profitability, because that will come through to cash flow eventually.”

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A decade that started with a deep recession has presented businesses with its fair share of challenges. The recovery from that recession and the degree of stability since was delivered by a strategy based around the reduction of interest rates to the lowest in living memory. Political and economical uncertainty have ensured that they stayed low.

How have car retailers reacted to the longest-ever period of “cheap money”? AM’s analysis of debt in the AM100 has identified some trends that may surprise, and lead some banks to see the motor industry in a more favourable light.

Robin Gregson, Lookers’ chief financial officer, summed up a path typical of the AM100’s larger groups. “There is not the appetite for high levels of debt, even though interest rates are so much lower,” he said, remarking on the irony of the situation, given the high gearing seen when interest rates were higher prior to 2008.

The availability of such “cheap money” for so long could have lured many businesses into a borrowing culture to feed their growth. Gearing is not a measure that sheds light on how car dealers have chosen to manage their finances – in particular, their debt.

Gearing can be calculated in a number of ways; AM uses the ratio of debt to equity as a percentage. So £100 of debt and £100 of equity equals 100% gearing. (Alternatively, you could calculate gearing as the ratio of debt to total capital, in which case the result would be 50%.)

**ARE SMALLER DEALERS AT RISK?**

Traditionally, gearing is considered an indicator of risk – the higher the level of borrowing, the higher the risk.

High borrowing accompanied by low equity is an even higher risk. Borrowing money has a cost attached, whereas equity, apart from dividend expectations, does not. Debt plus equity represents the capital of the business. The higher the proportion of debt, the higher the cost of capital.

So in a high-interest, high-uncertainty environment, you would expect businesses to try to reduce debt and rely more on equity, and vice versa in a low-interest, stable environment.

Of course, equity can be hard to come by, an increase in equity often resulting from retaining profits rather than distributing them in the form of dividends.

This latter strategy would be unpopular for larger businesses with external share holders, who have invested with a view to a dividend yield, placing pressure on those businesses to expand while still maintaining dividends.

This inevitably means raising debt to finance acquisitions, build or refurbish premises, invest in equipment, systems, infrastructure etc.

The graph below shows the gearing percentage of 10 of the largest retailers versus 10 smaller retailers.
**SPOTLIGHT:**

**MONEY**

**ADVERTISING FEATURE**

Improve image ratios... valet, image, web

By Michaela Gunney, UK sales director, Secure Valeting Group

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The samples are drawn from those businesses that have filed 2016 accounts, the larger 10 being drawn from the top third of the latest AM100, which have a turnover ranging from Perrys Motor Sales’ £652.8 million to Sytner’s £5.3bn, following its acquisition of CarShop.

The grouping of 10 smaller businesses is drawn from the bottom third of the AM100 – groups with turnover ranging from £130m to £200m.

For the larger businesses, the jump in gearing from 2007 to 2008 is what would be expected as they use the value of their business to borrow more in the face of financial difficulties prompted by the recession.

However, intriguingly, there is no comparable increase for the smaller businesses.

Were bankers more willing to live with the idea of debt financing losses for larger businesses, where they had a larger exposure in terms of the quantum of debt, than they were for the smaller borrowers?

What is also intriguing is that gearing fell back in 2009 for the largest businesses and then continued to fall – initially from about 120% to below 90% and then, by 2011, a little over 60% – despite the apparent low cost of finance and the low risk of that cost increasing.

Gregson said: “It is probably fair to say that dealer groups’ attitude to debt and gearing changed during the recession, but this is also true of many companies across the range of different sectors.

Before the recession, the banks and the City had a view that high gearing was an efficient use of a balance sheet and this encouraged higher levels of debt.

“This changed when the recession hit and the banks were reducing their exposure where they had provided too much credit to the corporate world.

“Our attitude to gearing is that we would not want to have a ratio of net debt to EBITDA in excess of 1.5.

“We might accept a level slightly higher for the purpose of making an acquisition, but only if we could see this reduce in the short term to a level below 1.5.

“It is quite ironic that higher levels of gearing were acceptable when interest rates were much higher than the current level, but there is not the appetite for high levels of debt, even though interest rates are so much lower.”

**SMALL DEALERS’ GEARING GROWS**

By contrast, for the smaller businesses, gearing fluctuated year by year, trending downwards until it reached below 80% in 2012, before heading back up to a point in the high 90s in 2016. This was the highest it has been since the immediate post-recession period of 2008/09.

Borrowing is often used to finance...
acquisitions. Since the larger groups have made significant acquisitions, you might have expected gearing to increase.

Additionally, there have been substantial demands for investment in new corporate identity and premises upgrades, which could also be expected to be at least partly debt-financed.

The rate of growth of both sets of businesses is roughly the same, so the contrasting change in gearing could mean that the investment requirements being driven by the national sales companies (NSCs) have fallen more heavily on the smaller businesses.

Gregson said Lookers had kept its gearing low by funding acquisitions through bank loans, which came with the proviso that cash generated by the group after the acquisitions have taken place was used to reduce the level of borrowings to an acceptable level.

He said: “This is best illustrated with our acquisition of Benfield, where the net debt-to-EBITDA ratio increased in the year of acquisition (2015) to 1.5, but had reduced significantly within nine months, by June 30, 2016, to a ratio of 0.7.”

James Mullins, financial director at Cambria Automobiles, said the group – 21st in the AM100 – is about to change its low gearing position in an attempt to meet manufacturer CI changes, enhance the operating capacity of the businesses and ensure greater stability in future.

He said: “Over the years, we have acquired less in fixed assets than we have generated in free cash flow and when we have invested it has come out of our cash reserves, keeping our gearing at a low level.

“Now our position has changed and we are about to make significant investment in new facilities to comply with various manufacturer requirements, including JLR’s Arch Concept, and also ensure our properties are freehold – freeing us from years of potential lease liability.

“Our gearing will change because we will be drawing on banking facilities, but we feel there are clear advantages.”

Cambria has five JLR sites and is currently in the process of redeveloping its Swindon site on freehold land.

A freehold site in Hatfield is awaiting redevelopment of its nearby JLR franchise and the group’s Aston Martin franchise will also be relocated to a freehold site in Solihull from its current, temporary, location.

**IS PRE-REG INCREASING DEBT?**

Analysis of our data revealed that financing of stock also shows a disparity. The ratio of stock to debt for the larger businesses fell from 53% to 31%, but for the smaller businesses from 75% to 55%.

Again, perhaps the burden of financing pre-registrations appears to have fallen more heavily on the smaller groups.

Gregson said he thought it was unlikely that pre-registration would be more prevalent among smaller groups “unless they were not hitting their targets from normal trading and needed to pre-register to hit those targets”.

“We prefer to hit the targets from normal trading so that if we do pre-register it is our choice and only to achieve additional discounts to provide pre-registered cars at good prices.

“I would imagine this is similar in other of the larger groups and may explain the difference.”

Gregson said his group’s pre-reg volume was lower in the first half of 2017 than it was in the same period in 2016.

He said: “Another factor may be that the larger groups have wanted to reduce gearing in their balance sheets for the reasons noted above and perhaps there has not been the same desire to do this for smaller private companies, or perhaps their cash flow has not been sufficient to reduce the level of debt compared to the greater critical mass of the larger groups, which tend to have strong cash generation.”

**DISPARITY? YES. DANGER? NO**

One measure increasingly used to demonstrate resilience is the relationship between EBITDA and net debt, as cited by Gregson.

EBITDA – earnings before interest, tax, depreciation and amortisation – is effectively the cash profit. In car retailing, EBITDA is substantial. A net debt to EBITDA ratio of 1:1 means the business generates enough cash to pay off net debt in a single year.

The second table, above, shows this ratio for the same two groups of AM100 businesses.

While the smaller groups are clearly in a less secure position than the larger groups, the ability to pay off all debt simply from cash resources in less than five years is an enviable position and a far cry from the position many businesses found themselves in back in 2008.

However, the rate of recovery following the 2008 crash was rapid and speaks volumes for the industry’s adaptability and resilience.

Furthermore, the impressive EBITDA data collated above does not include many of the more profitable smaller groups from within the AM100, simply because they have yet to file their 2016 accounts.

Bankers and investors take note – motor retail may be significantly more attractive than you think.
Four ways to fund your franchise

From manufacturer loans to remortgaging your home, we look at the ways dealers can start or expand their dealerships.

Starting up and growing a car dealership requires significant investment. From sponsored dealer programmes to stock market flotations, there are numerous ways to attempt to draw funding into a business. Here we take a look at the different funding models available, examples of how they can work in practice, and the pros and cons of each one:

**SPONSORED DEALER PROGRAMME**

Getting financial backing from a manufacturer’s sponsored dealer programme is one of the most obvious ways of securing funding for your business. Darren Williams, now director of automotive consultancy Elements PRMC, secured funding in 2008 through Volkswagen Group’s sponsored retailer programme for the opening of Grants Seat in Essex.

The rigorous approval and selection process involved preparing a five-year business plan and cash flow forecast using an approved accountant, an in-depth interview, and assessment by Seat, VW and a third-party agency. Williams was provided with a non-interest-bearing loan to cover his initial working capital and set-up costs as well as funding lines for new car consignment and used car stock.

The seven-year loan included a repayment schedule that began after the second year and stepped up over the following years until it was cleared. The programme also met all his legal and start-up costs and Williams was assigned a member of Volkswagen’s network risk team as well as a member of the network development team, who carried out periodic reviews of the business’s performance and operational activity.

“As an individual who didn’t have the capital to buy a dealership outright… it allowed me to fund my own business start-up,” said Williams.

“For the brand and Volkswagen Group, it provided the benefit of ensuring there was transparency in terms of my trading position and cash flow to all stakeholders.”

However, Williams said it wasn’t without its downsides, including meeting the needs of the various stakeholders, which were often different and sometimes at odds.

**PRIVATE SPONSORSHIP**

For prospective dealership bosses who do not wish to avail of a manufacturer’s sponsored dealership programme, a first-of-a-kind private sponsored dealer scheme may offer a solution.

Tempus Automotive Investments is a multi-million-pound private investment fund offering financial backing and mentoring from industry professionals.

Directors include Luscombe Suzuki managing director Robin Luscombe and Knights BMW and Mini former owner Dave Vickers. UHY Hacker Young’s David Kendrick is an adviser.

Luscombe said the new enterprise was a “matchmaker” that would pair entrepreneurial automotive professionals with businesses that “were keen to sell but had little or no succession planning”.

He said: “Running my own dealership gives me everything I ever wanted and being involved in Tempus excites me even more, as this is a route to assist other high-quality colleagues in the sector in making their first venture as an owner-driver.”

Luscombe said prospective car dealers had been put off by set-up costs of £500,000 to £1m, but Tempus would help peg that initial cost to about £150,000, ensuring funding for the set-up and establishment of the business, along with mentoring.

Tempus aims to provide funding for 10 franchised businesses within the next three years.

Kendrick said: “Tempus not only gives the opportunity for high-calibre operators in the sector to set up their own business, but also provides a great exit route for many owner-drivers who may wish to retire or PLC’s to dispose of non-core dealerships.”

**SPOTLIGHT: MONEY**

Darren Williams, Elements PRMC
Floating your business on the stock market can liberate a far greater level of investment as a public limited company. Daksh Gupta, chief executive of Marshalls Motor Holdings, said his company raised £40 million from its initial public offering (IPO) in March 2015, selling a 35% stake to investors. Its former parent, Marshall of Cambridge (Holdings), retained the other 65%.

“Our decision to list was around having greater access to capital and effectively being an independent company with its own governance and board,” said Gupta.

“One of the other key drivers was the sheer increase in consolidations since 2002 and the need to invest heavily in our facilities and corporate identity.”

Planning and preparation for the IPO had started two years earlier and required significant time and money to get to the stage where the company was ready to launch, he said.

“It’s pretty much a 24/7 process where the company is literally shaken to the ground,” he said. “They look at everything from your personal tax records, to your assets and debts until they are satisfied that you meet the requirements.”

The whole listing process costs about £3m to £4m, said Gupta, not to mention the ongoing commitment of interim and full-year reporting, analyst presentations, and meeting shareholders’ demands, as well as the cost of hiring a broker and PR firm.

“Looking at what we have achieved since we floated, with £130m worth of acquisitions and the investment of £90m in our facilities over three years, frankly we wouldn’t have been able to do any of that if we hadn’t listed,” he said.

“The IPO has enabled us to continue on our growth trajectory and we are looking to maintain that momentum.”

Remortgaging your home to start up your own business or putting up your own money as part of a management buy-out (MBO) can be a risky strategy, but some dealers have prospered. Nas Khan, managing director at Jennings Motor Group, the UK’s largest independently owned Ford dealer group, has been involved in three MBOs.

The first was headed by sales director Alan Bentley, along with Khan and two other directors, Nicky Dalkin and Graeme Armstrong, when, in 1995, they bought out the Jennings family’s 60% stake through funding from Midland Bank (now HSBC).

However, 10 years later, Khan led a new MBO, buying out Bentley and the remaining 40% stake held by the Hodgson family, splitting the shares between himself, Dalkin and Armstrong.

To finance the deal, they used the company’s Middlesbrough site to do a sale and leaseback, as well as increasing borrowing from HSBC and receiving some financial assistance from Ford.

But after the 2008 financial crisis, Khan said cash flow became constrained, so he led another MBO in 2012, financed by the 2010 sale of the company’s Sunderland site to Sainsbury’s.

He bought out his two partners and was able to put the company on a better financial footing.

“The downside is that life can be difficult at times because you are using your own working capital and are forever relying on short-term financing,” he said.

“But the big advantage is that you are your own boss, whereas with venture capital backing you are not fully in control of your business because you have got a multitude of investors to answer to.”

ALEX WRIGHT

LOOKING AT WHAT WE HAVE ACHIEVED SINCE… FRANKLY WE WOULDN’T HAVE BEEN ABLE TO DO ANY OF THAT IF WE HADN’T LISTED

Daksh Gupta, Marshall Motor Holdings

PERSONAL RISK

STOCK MARKET FLOTATION

SELECTED CAR MAKERS IN THE UK

Alex Wright
SIX

AM looks at some best-practice examples of web design from inside and outside the motor retail industry. Tom Seymour reports

Use data to inform intelligent iterative changes

www.carshop.co.uk

Synter-owned CarShop won the 2017 AM Award for Best Website. Its latest website was designed specifically for mobile and the company says dealers should avoid the temptation to introduce any clutter - No unnecessary features and no wordy copy.

Leo Nelson, marketing and IT director, said: “You need to know what you want to achieve for your customer journey. At an early stage, we knew we wanted to get the search, finance and part-ex valuation right, as those were the three things that were most important for customers.”

CarShop builds and tweaks different versions of pages to test if they work for consumers. Test pages are only released to a certain percentage of live users when they visit the site and CarShop collects usability data on their visit. Nelson said: “We only implement changes if we’re seeing some statistical significance in what we have done.”

“Sometimes you design something and you think it’s great, but you have to test it with real customers.” Nelson said this can take time if you don’t have a high volume of traffic to a website, but for CarShop it was quite a quick process.

CarShop also hires a user experience lab every quarter to test what it is doing. Nelson said: “The test lab can easily help us to identify any areas of struggle.”

Eye-catching design and calls to action

www.grassicksgarage.co.uk

Grassicks Garage in Perth, Scotland, uses Auto Web Design to help build its website and manage its pay-per-click strategy. It’s an ongoing partnership where Auto Web is constantly carrying out usability tests on the live site to help make design changes to improve the user experience.

Martin Dew, Auto Web Design head of operations, said it was important the homepage for Grassicks’ dual-franchise business made sure the dealer’s own brand got across instantly, in addition to the manufacturer brand.

The website has a responsive design that goes beyond the standard resizing that happens on most websites. Dew said: “Not a lot of other providers seem to be doing this, but we have developed a responsive website that is more bespoke when it resizes for smart devices.”

It’s not a separate website for mobile, he added, but the background coding makes it a better experience to fit on mobile.

Dew said: “The whole site has been designed to stand out, with imagery and video to make customers want to engage with eye-catching calls to action.”

SOMETIMES YOU DESIGN SOMETHING AND YOU THINK IT’S GREAT, BUT YOU HAVE TO TEST IT WITH REAL CUSTOMERS

LEO NELSON, CARSHOP
If you have attended any of our talks at the recent AM Digitech and AM Digital Dealer events then you will know that we at Autoweb believe that a car dealer website needs to provide a great user experience across different devices, but crucially it must be optimised to convert website visitors into sales enquiries.

After all, if your website does not help to generate car sales, why would you invest money in it? This leads to the more interesting question of how much you should invest in your website and digital marketing channels. Be sure to check out our webinar on digital attribution, which covers this.

Here are some key things that we think you should be doing in order to make your website a lead-generating machine that website visitors love:

- Consider the user journey on different devices, don’t just use a basic responsive design approach. Try out the journey of enquiring about a car on your mobile phone. Are you happy with the experience?
- Undertake an ongoing process of conversion-rate optimisation. If you are not doing this already then you should be. This involves A/B testing website changes based on your own website visitors’ behaviour in order to continually move the website to a higher enquiry rate.
- Use tools such as heat mapping and advanced web analytics to ensure that website visitors can get to the information they are looking for across different devices.
- Make use of advanced analytics tools, such as the data layer within Google Tag Manager, Google Optimize and Google Attribution. There are free versions of all of these and we can provide you with guidance even if you are not a website customer of ours.
- For more information, contact Martin Dew at marketing@autoweb.co.uk or visit autowebdesign.co.uk

By Martin Dew, head of operations, Autoweb Design

Developing a website that works seamlessly on mobile has to be a basic requirement today, but there are still plenty of websites out there that struggle to get it right.

Arnold Clark, the 2016 AM Awards Best Website winner, knew that 60% of its traffic was coming from smart devices, so making sure it was a great experience on mobile was paramount. There was also a focus on useful tools for customers, such as buying insurance for their car online.

High-quality images and videos now appear alongside content produced by an in-house newsroom, while the ability to search used cars, buy insurance, book appointments and access live chat functions are all easily accessed and fully optimised for smartphones.

Arnold Clark’s website is developed in-house and management of the different sections is split among its own 150-strong marketing department.

One of the strengths for consumers is being able to load pages quickly, something that is not always easy when including high-quality images and video content for every vehicle.
Work Smarter
Data Driven Insights by Autoweb Design will
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Website and Digital Marketing Solutions for the Automotive Industry

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Transparency

Auto Trader recently introduced new price indicators to help guide consumers on whether the price of the car they are looking at is high or low compared with similar cars listed online. The aim of the new feature was to increase transparency and speed up the research phase for consumers.

Nick King, Auto Trader insights director, said: “We know from our own research that transparent pricing is the most important factor in the car-buying process.

“We never introduce change for change’s sake. That’s why before we launch any new feature we test it extensively to ensure that it resonates with consumers and enhances their journey with our customers and, importantly, makes it easier too.”

King said it was important for Auto Trader to practice what it preached as the company regularly advises retailers to think about who their customers are and provide them with a tailored digital experience.

Consumer control and keeping it simple

Carwow employs a digital-first strategy, something it believes car-buying consumers have been craving but have not been getting.

Gareth Thomas, Carwow senior designer, said: “We try to keep things as simple as possible when it comes to the design of the website, from visuals to technical explanations and flow of the product.”

Offers are clearly displayed in an impartial way, allowing a customer to contact a dealer either by calling or direct messaging to get further offer details or book a test drive.

Thomas said: “Feedback has found that car buyers want to know more about a dealer proposition. As a result, offers are shown with prices alongside perks and other services dealers offer, helping dealerships promote themselves to potential customers.”

Carwow tests multiple variants, changing layout, copy and visuals to work out which one leads to the most conversions.

Look for inspiration outside automotive

Nelson said AO.com is a great example of how to do visual merchandising well and manage a customer journey digitally post-purchase. He said it was an inspiration to CarShop when building its website.

Nelson said: “AO.com isn’t an aspirational retail destination, but the way they display products with images and video and keep you updated every step of the way after you’ve clicked ‘buy’ is so good.

“The order-to-delivery journey is so seamless.”

Thomas said the onboarding process with Airbnb, where a consumer familiarises themselves with their service, is “second to none”.

He said: “It’s the combination of simplicity with only asking for what they need with a very clear and simple user experience.”

King said trainline.com is consistently ranked highest in Auto Trader’s consumer surveys.

He said: “Trainline’s recently refreshed site has successfully placed the customer journey at the heart of its digital experience.

“It’s intuitive, fast, accessible, and, most importantly, it’s functional – it does what it’s designed to do, and does it very well.

“Using technology to make the customer journey easier has made a huge difference to brand strength and loyalty.”
Volvo had a lot of success with the original XC60. It has been the brand’s best-selling model, achieving more than 70,000 registrations in the UK alone since 2009.

The new model is aimed squarely at the premium sector, where Volvo is confident its customers want more upmarket models.

Prices start at £37,205 for the base Momentum trim – up more than £4,000 on the outgoing model – and buyers can choose from six derivatives and four engines.

Volvo expects the £39,705 D4 R-Design to be the best-selling version, followed by the entry-level Momentum.

All XC60s come well equipped with sat nav, full LED headlights, leather upholstery, heated front seats and a powered tailgate. R-Design models are sportier, with more aggressive styling, larger alloy wheels and sports suspension.

Flagship Inscription trim adds ventilated nappa leather seats, 19-inch wheels and extra chrome trim.

Each grade is additionally available as a Pro version, which increases the standard equipment with features such as air suspension and a panoramic roof. About 10% of buyers are expected to upgrade at each level.

Volvo expects to register about 12,000 new XC60s in 2018, putting it between the segment-leading Land Rover Discovery Sport and recently updated Audi Q5. It also has to face the Jaguar F-Pace and new BMW X3.

The D4 and D5 diesel engines are based on the same twin-turbo 2.0-litre unit. In the D4 you get 190PS, while the D5 has a feature called Powerpulse, which forces compressed air into the engine at lower RPMs to boost power. It will generate 235PS.

All-wheel-drive is standard, along with an eight-speed automatic gearbox. A 254PS turbo-petrol engine, badged T5, is also available with a faster 6.8-second 0-60mph time.

At the top of the range is the T8 plug-in hybrid. Generating a combined 407PS, it takes the crown as both the fastest and the most economical XC60. Volvo claims 134.5mpg with CO₂ emissions of 49g/km.

As in the Volvo S90, the D4 and D5 engines are a little on the loud side when being worked hard – something the transmission is keen for you to do when pressing on.

Nonetheless they carry the weight of the car well and the D4 has more than enough power for ferrying kids and dogs around the countryside at the weekend and putting in the miles on the motorway during the week.

We drove the conventionally sprung XC60 alongside one with the £1,500 Active Four-C Chassis with air suspension.
The latter offers a silky smooth ride – with the option to raise the ride height for off-road excursions – but the standard suspension gives a more dynamic feel. This is especially true in R-Design models, which offer a stiffer ride more akin to German rivals.

The XC60 takes the best bits from the ‘90’ series cars – portrait-mounted touchscreen, autonomous driving technology and ‘Thor’s hammer’ LED lights – and mounts them in an attractive compact shell.

It’s not the last word in driver engagement, but then that isn’t exactly what a Volvo is all about. It’s clean, simple and, most importantly, safe.

The premium SUV segment is growing and offers plenty of choice from the rugged Discovery Sport to the performance-focused Porsche Macan. The XC60 slots in the middle, offering a more interesting alternative to the Q5 or X3. MATT DE PREZ

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**Q&A**

**Why are volume predictions lower than the existing car’s volume?**

Ultimately, I think we will at least match the volumes of the old car. We are aiming firmly at the premium segment, but it’s a pretty strong segment.

**What upsell opportunities are available with the XC60?**

We’ve tried to keep the range as simple as possible. Above the three equipment lines, buyers can opt for the Pro packs, which offer bundles of options. These may appeal to fleet customers who cannot add individual options.

There is a pretty comprehensive options list. With XC90, we found a lot of customers chose multiple options. We also have the accessory range, which includes lifestyle equipment and additional alloy wheels plus Polestar optimisations.

**Are dealers ready for the electrification drive in the most recent CI update or will more investment be needed in workshops/training?**

The training and investment we have already made supports the current platform and the current engine range already includes plug-in hybrid. There are always product developments that require extra training, but we are well on the way to having properly equipped technical workshops in our dealerships.

**Will the existing dealer network automatically become franchised sites for Polestar when it arrives in the UK?**

We have not determined a distribution strategy for Polestar in the UK yet.

**Are you expecting a large amount of conquest customers to the new XC60?**

Yes, as we saw that with the XC90. We have good retention rates, but XC90 brought a lot of new customers to Volvo. We expect XC60 to do the same.

**Are you concerned you don’t have a price point in the mainstream SUV segment?**

There is plenty of growth in the segment we are in and the product is strong enough to command the price point. In premium SUV, the most popular price point is between £39,000 and £41,000. Our Momentum and R-Design are directly in that.

**What do you see as XC60’s key rivals?**

Audi Q5, BMW X3 and Mercedes-Benz GLC mainly, but Jaguar and Land Rover are fairly prolific in launching new models. There is also Porsche. It’s better to be in a busy segment than a lonely one.
Secure Automotive Support has provided vehicle preparation services to the UK motor retail industry for almost 20 years.

Sales director Michaela Gunney said she is pleased to see the growth of Secure into further automotive support services: “We can now offer total dealership support services – to include valeting, imaging, backdrops, video, drivers and progress chasers.

“Valeting teams can streamline the valeting/imaging process by producing high-quality photography, HD video and 360-degree tours at the point of valet.

“A progress chaser portal is provided free of charge by Secure and integrates with dealerships’ DMS systems, significantly reducing the need for data inputs. We can also quote for a full-time progress chaser operative if required.

“The great advantage of Secure and our Auto Imaging division is that all valeting, image capture, video production, branding, digital backdrops, quality control and uploading happen at the same time.”

WE CAN NOW OFFER TOTAL DEALERSHIP SUPPORT SERVICES – TO INCLUDE VALETING, IMAGING, BACKDROPS, VIDEO, DRIVERS AND PROGRESS CHASERS

MICHAELA GUNNEY, SECURE VALETING

Integrating valeting, imaging and uploading will save your dealerships time and money

Improve image ratios instantly

Secure’s progress chaser portal means that when a vehicle finishes in the workshop, a valet and image job can be booked automatically. The portal data can also identify at what point in the process there may be departmental delays, instantly improving efficiency for your line management. To summarise, the portal provides image ratios and live reporting on all vehicles through all departments. Auto Imaging and Secure work alongside marketing companies to ensure we find you images for backdrops that are in keeping with your dealership and the wider brand. Dealerships using Auto Imaging backdrops report a significant increase in online views.

DIGITAL BACKDROPS FROM £1 PER CAR
PROFESSIONAL PHOTOGRAPHY | VIDEO HD 360°
PROGRESS CHASER PORTAL | 360° VIRTUAL TOURS

For more information, please call 01480 216 700 or visit www.secureplc.com
MX-5 GIVES THE BEST PS PER POUND (DON’T TELL THE ASA)

Speed and power are two things that put the Advertising Standards Authority in a tizzy whenever it has to judge complaints about car commercials. This must give carmakers a headache when it comes to ensuring their sports cars grab the attention of the UK’s petrolhead community. Of course, a plethora of motoring magazines and websites do their best to give these halo models a good going over, but as sports cars need to be, well, sporty, we felt it was time to see how our long-term MX-5 RF compares with other new roadsters on paper.

The evidence shows our car is the third slowest to 62mph, and despite having the joint-largest engine (many rivals use smaller, turbocharged units) it has the third-lowest power output. But the MX-5 combines sportiness with value better than any of its peer group – buyers seeking stats for their pub banter will be delighted it delivers 6.16PS power output per £1,000 spent, which is better even than premium rivals. Even the more closely priced Fiat and Abarth 124, which share much of the MX-5’s underpinnings, cannot match it.

It’s easy to understand why the MX-5 remains the world’s best-selling sports car. TIM ROSE

VITARAS BOOSTS POWER AND SPEC

The Vitara S model entered the market in January 2016, just eight months after the Vitara [in which time 5,000 had been sold], designed to add an element of ‘sportiness’ to the range. It comes with gloss black 17-inch alloy wheels, rear spoiler, silver door mirrors and red interior stitching and air vent surrounds, and aluminium alloy pedals. Our test car, with us for three months, is in one of four colours available in the S, cosmic black, including the alloys, for an extra £500 on the base price.

It also offers a bit more grunt. Consumer journalists had criticised the 2015 model’s lack of power, but the Vitara S is powered by the new 1.4-litre petrol Boosterjet – with more torque at a reasonably low 1,500rpm.

Suzuki’s engineers have tackled turbo lag with a turbo charger on the cylinder head. It means a 0-62mph time of 10.2 seconds – it’s more than 11 seconds for the 1.6 and more than 12 for the diesel Vitara – with a six-speed manual gearbox. Suzuki’s combined cycle fuel economy figure is 52.3mpg.

A six-speed automatic transmission is also available.

The equipment is a further strong selling point against competitors such as the Mazda CX-3, SsangYong Tivoli, Renault Captur and Subaru XV. Standard equipment for all Vitara models includes seven airbags, alloy wheels, DAB radio with USB and Bluetooth connectivity, cruise control with speed limiter, auto air conditioning and front and rear electric windows. JEREMY BENNETT

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**GUSS THE CAR COMPETITION**

Claire Harrison, fleet administrator at Tees Valley Mitsubishi in Darlington, correctly identified the last issue’s Alpine A110.

See if you can identify this month’s model for your chance to win a £20 John Lewis voucher. Email am@bauermedia.co.uk with ‘Guess the car’ in the subject line and include your job title and company in your entry. The closing date is Friday, September 8.
Industry professionals share knowledge is power, and businesses need as much expert advice and insight as possible to succeed. For senior managers in franchised dealerships, who are ultimately responsible for a multi-faceted service, retail and business-to-business operation, that need is even more pronounced. This is where AM’s Executive Panel can be of real help. The Executive Panel is made up of AM commercial partners who are all experts in their key industry segment – segments that can have a major influence on a motor retail business’s bottom-line profitability and customer experience.

Lack of images is car buyers’ pet peeve

By Adam Price, MD and founder, AutosOnShow.tv

Consumers’ biggest complaint about dealer websites is the lack of car images, according to recent research. The Auto Trader study found that 47% of customers complained about images, followed by no car reviews (38%) and no dealer reviews (38%). Young people found a lack of images even more of an issue with more than half (51%) of consumers aged 20-34 identifying no car images as their biggest pet peeve.

At AutosOnShow, the data indicates that high-quality video and imagery creates more interest in a vehicle and builds a closer connection with the buyer. This insight has underpinned the development of a system that makes it easy to manage video and imagery of dealer stock across multiple digital platforms.

Buyers have never had more choice, and they jump from YouTube to dealer website to aggregator at the click of a mouse.

One of the key areas with which dealerships and manufacturers struggle is the quality and inconsistency of the images. AutosOnShow has understood these problems and has created an easy-to-use solution that enables dealers to get high-quality imagery quickly and provide the end users with exactly what they are looking for.

Average viewing times on mobile devices have grown by more than 300 hours a year since 2012. However, the appetite for TV and video is not waning. It’s estimated that mobile video will account for 75% of total mobile data traffic by 2020.

High quality video and imagery is an essential part of the customer journey and should be integrated into every part of the sales journey.

To find out how AutosOnShow can help you, visit AutosOnShow.tv.

Improve customer journey and retention

By Martin Peters, sales director, Autoclenz Group

Why do customers choose your dealership? Is it location, ease of booking, staff attitude, quality of service wash, or pricing? Well, it’s all of those and more, but the aftersales customer journey will significantly help to retain customers for both sales and aftersales while encouraging repeat business.

So you need to differentiate your business by delivering a great customer experience that will drive customer numbers, customer spend and those all-important customer service interaction (CSI) rankings.

Three ways to improve customer experience

Autoclenz can improve customer experience in aftersales in three main areas. Firstly, the ease of booking. We can offer a fully insured collection and delivery solution so your customer doesn’t need to leave their home or workplace. This is very popular with fleet users. This also keeps lead times down and releases pressure on the courtesy cars.

Secondly, we can improve the “free” service wash which is a great opportunity to wow the customer. Small low-cost improvements by dressing tyres, stripping carpets and “new car” essence air freshener, in addition to the usual wash, leather and vacuum, can really enhance customer perception.

Thirdly, the upsell. Offer a full valet or SMART repair while the car is on site, again improving customer perception and ultimately profit.

These are all either self-funding or low-cost initiatives to improve aftersales customer experience, and therefore customer retention.

To find out more about the difference at Autoclenz, please call Lucy on 01283 554 682.
Profit springs from fast and accurate appraisal

By Simon Henstock, BCA chief operating officer, UK remarketing

As sourcing good-quality stock becomes ever more competitive for dealers, identifying and retaining retail-quality part-exchange cars is essential. With the September plate change days away, dealers expect to see increasing numbers of PX vehicles. Sorting the wheat from the chaff is critical to trading profitably, but help is at hand from BCA.

BCA Dealer Pro allows dealers to appraise, value and remarket PX vehicles and maintain inventory at the touch of a screen, with the freedom to see what is available across the entire dealer group where applicable. This easy, cloud-based car appraisal tool allows the part-exchange process to be managed quickly and easily, capturing all the information needed for deals to be done with confidence.

The PX itself can now also be funded, following the launch of a new service from BCA Partner Finance. Operating within the Dealer Pro platform, it allows dealers to appraise the vehicle and then apply for funding based on the BCA MarketPrice valuation. All this can be done while the customer is still on-site, giving dealers flexibility to package an affordable deal for their customer, safe in the knowledge of the real-time view of the trade price for that vehicle.

It creates a unique stock management solution. Dealer Pro lets dealers monitor stock levels, refresh valuations and decide which vehicles to remarket through BCA, while BCA Partner Finance offers them secure funding to buy used cars at BCA and through part-exchange. Together, they create a flexible and scalable stock management solution, allowing dealers to react quickly to market conditions and maximise profit opportunities.

Getting wise with car finance trends

By Shaun Harris, sales director, Codeweavers

This month, I would like to look at key car finance trends taken from car buyers who interacted over the past month with a Codeweavers’ calculator on the website of a dealer based in the West Midlands.

Our aim is to provide insight and, to an extent, a benchmark that dealers can use to enhance the value of their finance offering.

From our analysis, 46.85% of potential car buyers personalised a PCP finance quote. The affordability appeal of PCPs is evident – what is also clear is that customers are hungry for knowledge about the product, with 62% watching the “What is PCP?” video. Videos are useful both as a sales tool and in ‘Treating Customers Fairly’ (TCF). The customer viewing it is now aware of the product’s fundamentals, with a clear explanation that also increases their ‘stickiness’ to the dealer – win-win!

Some 51.83% of car buyers personalised a finance quote on a mobile. This demonstrates the importance of having a mobile-friendly website and finance calculator, which are laid out clearly and transparently. Not having such a tool underserves almost half of all potential buyers.

The most popular age range was 25-34. Have you been targeting this age group? Start monitoring what they are entering into your calculator and create some eye-catching special offers. Codeweavers have a used car offers tool so you can embed finance offers instantly into your calculator.

The most popular make of car quoted upon in the West Midlands was a Ford.

The average deposit was £2,000, the average requested term was 60 months and the ideal monthly payment was £250. If you are selling Fords in the West Midlands, it may be worth reviewing what your default parameters are in your calculator to suit your customers’ requirements.

We hope the insights prove useful.
Arnold Clark is increasing the number of product geniuses throughout its 200 dealerships, but it is not yet ready to move away from the traditional pay structure for sales executives.

Scott Willis, Arnold Clark sales director, told AM the group has taken on more than 300 product geniuses in the past three years and wants to increase that to 500. "Genies", as they are known within Arnold Clark, help take customers on test drives and help them with any product-related questions. Most of their pay is salaried at £18,000 with a "very small proportion" of bonus based on hitting customer satisfaction targets.

The product genius job role is a growing one, with many franchises following early adopters such as BMW and Kia to create similar non-sales positions.

Marshall Motor Group is one of the first to attempt to retain and attract new talent to the industry by offering higher basic pay. It has introduced a £25,000 basic salary for all new sales executives at the end of May this year, irrespective of previous experience.

Marshall will also pay loyalty bonuses – £1,000 on the second anniversary of their start date and £2,000 on the third – to reward sales executives and encourage them to stay with the business. There is no cap on earnings.

Some dealers may be waiting to see what effect the new pay structure has on Marshall’s new car sales volumes.

Willis said: "We haven’t been brave enough yet to take that step, but having all staff as salaried would be something we would definitely like to do."

However, he said there is a fear that removing or lowering the bonus incentive would create a lack of urgency to hit targets among sales staff.

The survey reported that the national average for a new car retail sales executive is £14,883 basic with £26,361 in bonus payments. That works out at 64% in bonus payments to make up the total on-target earnings of £41,244.

A BDO spokesman said the figures don’t suggest a groundswell of support for a 50:50 basic to bonus ratio, although he said the idea is starting to catch on. He said: "I’ve yet to see the evidence personally, but we shall see if there has been a further movement in the ratio in our 2017 report, which is due to be compiled soon."

Pay ‘a reflection of carmaker bonus’

Paul Brayley, Brayleyes Cars managing director, told AM he doesn’t see how remuneration packages can change while manufacturer bonus payments remain essential for some dealer groups to make a profit.

He said: "The commission-led model is a reflection of manufacturers’ volume-led bonus payments and will not change until a time when each car sale yields a set margin, with no volume bonus."

While the sales executive remuneration package may not be changing in the short term, it could be that the importance of the role is slowly phased out over time.

Sales executives outnumber “genies” in Arnold Clark’s dealerships, by a ratio of about 10:1, but Willis said this will eventually change.

He said: "We will reduce the number of sales executives in each dealership eventually. They have to be productive and as we take away the amount of time spent with customers from sales and move that to product genies, it will reduce how many sales executives we have per showroom.”

Willis said Arnold Clark is attracting a higher calibre of applicants to the role of product genius than it would if advertising for a trainee sales executive. He said the role is also helping with gender balance, as 40% of genies are women.

He said: “We’re trying to take the intensity away from what used to be a high-pressure sales environment in the showroom.

“That environment isn’t good for attracting new employees and it’s not good for customer service.”

Each new product genius at Arnold Clark goes through a full induction and training process at one of the group’s three internal GTG training facilities in Glasgow, Edinburgh or Wolverhampton.

Willis said: “The product genius recruitment drive has been a huge expense that we didn’t have before, but knowing what I know now in terms of the impact it’s had on customer satisfaction and sales volumes, we would still do the same thing.”

RESOURCES

**THE PSYCHOLOGY OF INCENTIVES**

PwC global study into the impact of pay and incentives on executives.

[am-online.com/ExecutivePay](http://am-online.com/ExecutivePay)

**VIDEO: CHANGING A CONTRACT**

ACAS guide for varying a contract of employment if a bonus scheme were to be changed.

[am-online.com/ContractChange](http://am-online.com/ContractChange)

**SECRET SALARIES**

TEDx talk by Professor David Burkus on cultural assumptions around sharing salary and bonus information.

[am-online.com/SharingSalaries](http://am-online.com/SharingSalaries)
Swansway Garages’ Land Rover Stafford has promoted Matt Knowles to the post of general sales manager.

Currently the dealership’s used car manager, his promotion follows the retirement of long-serving general sales manager Alan Dew.

Knowles, left, has been in the motor retail business since leaving university 15 years ago and has been with the dealership since 2014. He said: “Since I joined Swansway Motor Group, the family owned business which owns Stafford Land Rover, I’ve been given the opportunity to progress and to learn more about the whole business of motor retailing.

“Too, that’s fascinating. I want to take my career as far as it can go. Ultimately, I’d like to become head of business here at Stafford Land Rover, though with John Nimbley currently winning awards left, right, and centre I suspect his seat may not be vacant for a little while yet.”

The Valley Drive dealership has won a number of industry awards this year, including Land Rover dealership of the year and Land Rover after-sales dealership of the year.

“It’s really special to be part of a winning team. The whole dealership works together and that’s how we’ve produced such amazing results, so I’m just proud to be part of it all,” said Knowles.

Family-owned Swansway Motor Group has an annual turnover of £700 million, putting it at 19th place in the part of it all,” said Knowles.

“Produced such amazing results, so I’m just proud to be part of a winning team. The whole dealership works together and that’s how we’ve produced such amazing results, so I’m just proud to be part of it all,” said Knowles.

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Talent Recruitment

Are you looking to set the industry alight?

Are you also looking for a new adventure? Vindis Group is currently recruiting for a Brand Director.

Reporting to the Managing Director, and as one of the Company’s Operational Directors, you will integrate effectively with your immediate peers, will have executive responsibility for directing, guiding and evaluating the performances of a number of volume businesses, and will also be an ambassador for the Company’s Vision.

Due to the challenging nature of this role, it is essential that applicants have previous experience in a Brand Director position; a long-term and proven history in a Head of Business/Brand Manager role; or transferrable skillsets gained within a Manufacturer environment.

For more information, or to apply for this role, please contact recruitment@vindisgroup.com or visit vindisgroup.com/careers
Role: Head of Business – Barons BMW / MINI Hindhead

Location: Hindhead

Group 1 Automotive are a financially strong and ambitious company, representing 12 manufacturers across 48 locations in the South East with plans to develop our presence further in the UK over the coming years. We believe that our success flows from our people and to help us grow and evolve we are constantly looking for great talent to join us.

The Role:
We currently have an exciting opportunity for Head of Business at our Barons Hindhead BMW and MINI retail centre at a critical time as it prepares for a relocation to a brand new purpose built site in a high profile location.

The Person:
The successful applicant will have a proven record of accomplishment in the automotive industry, with either experience as a Head of Business or ready for that next step in their career. You will be challenge ready and hungry for the opportunity to grow your business. The right candidate will be hands on in nature, financially aware, with effective communication skills, a keen eye for detail and the ability to positively influence at all levels.

Whilst premium market experience will be a benefit, attitude and character are more important to us.

The Reward:
Become part of a dynamic and growing Group that will actively assist your career development. To be involved in creating and shaping the future of an exciting new site for the Group that will very much be at the forefront of the companies spot light. There is a competitive earnings package reflecting the experience and qualifications required for the role, benefits suite, job satisfaction, career development and the freedom to achieve your full potential.

If you recognise yourself in the description above, we want to meet you, so please send your application to the address below.

Not quite the role for you? Not the right geographical location? We are always looking for talented individuals to join our teams so equally please feel free to get in touch for a confidential discussion on other opportunities across the group.

Paul Bradley Recruitment Manager – Group 1 Automotive
Email – pbradley@group1auto.com
Tel 07407 187 155
EIGHT QUESTIONS TO...

A MARKETING MANAGER

The Donalds Group’s Benjamin Grant on ensuring you get digital return on investment, the enduring importance of face-to-face marketing and why he has salt water running through his veins

What are the main responsibilities of your role?
GRANT: My role encompasses marketing throughout The Donalds Group, not to mention most things with a three-letter acronym – search engine optimisation (SEO), pay-per-click (PPC), Google Adwords and customer relationship management (CRM).

What are the most significant challenges ahead?
GRANT: Customers walk in as knowledgeable on the product as industry professionals and carrying a bundle of quotes from across the country.

Standing out from the crowd in a digital environment that is changing so frequently means we are constantly reviewing our digital strategy to ensure we are using the right platforms to be found and that the user has a seamless digital journey.

This provides new challenges for monitoring our return on investment, as many conversions will always be from your dealer website. Monitoring the performance of other activity that leads to the point of enquiry can take some work.

How may these challenges be overcome?
GRANT: Google Analytics is a marketeer’s best friend! Google Goals, specifically, provides fascinating data on the online form. When I first entered the industry with a different company, our website had nine pages and it was considered more of a trophy item than a necessity.

So much has changed since then and while understanding the latest tools and trends is important, it’s also necessary not to neglect more traditional forms of marketing as different demographics consume information in different ways. I’m a true believer that an eclectic marketing plan is a successful one. Engaging with the public at local events, for example, really allows them to discover the people behind the brand. You could put it on an advert, but sometimes there’s no substitute for face-to-face engagement.

MATT DE PREZ

QUICK-FIRE QUESTIONS

What drives you?
As technology advances and autonomous cars creep ever closer, my Volvo XC60 seems to do more and more of the driving.

What’s your favourite app?
Fitbit/MyFitnessPal – I’m becoming borderline obsessed with dietary and fitness data input.

How do you relax?
Walking along the Suffolk coast, sailing and wild swimming. Descended from fishermen, I rather have salt water running through my veins...
WHAT’S IN STORE FOR THE UK AUTOMOTIVE INDUSTRY?

A top level event for senior automotive industry executives

KEY INDUSTRY SPEAKERS

Intelligent Mobility – a consumer’s perspective
Steve Yianni, ex-chief executive, Transport Systems Catapult

The impact of transport devolution on the automotive industry
Stephen Joseph, chief executive, Campaign for Better Transport

The impact of Brexit on business
Darren Jukes, leader of industry, industrial products & services partner, PricewaterhouseCoopers

A half day conference before the November 7, 2017. Park Plaza Westminster Bridge

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