



Based on the AM100 average of 38 staff members per retail outlet, PSA Group's plan could amount to more than 3,800 job losses

“ WITHIN THE [PACE!] PLAN, THE GO-TO-MARKET STRATEGY IS BEING CAREFULLY REVIEWED, INCLUDING THE CONTRACTUAL FRAMEWORK WITH DEALERS

PSA GROUP

The situation again highlights the lack of awareness, on the part of the public and the Government, of the franchised car retail sector, which, according to the National Franchised Dealers Association (NFDA), employs more than 590,000 people in the UK. AM approached NFDA director Sue Robinson for a comment on the prospect of mass job losses within the Vauxhall network.

“It is imperative that the interests of our sector are safeguarded,” she said.

“The NFDA will continue to actively engage with manufacturers and Government to best represent automotive franchised retailers.

“Dealer members who require support and guidance should contact the NFDA, where we can advise on employment and other business-related issues that may arise.”

The Government still seems more concerned about high-profile manufacturing losses than piecemeal erosion of a network that contributes millions in business taxes.

A spokesman for the Department of Business, Energy and Industrial Strategy said: “As this hasn't yet been confirmed by PSA – it would be inappropriate for the Government to comment on a commercial matter for the company.”

A spokesman for the SMMT said: “It's not SMMT policy to comment on commercial decisions/activities of individual members.” **TOM SHARPE**

by retailers' pre-registration activity and rental deals from the manufacturer – along with a new range of more desirable cars and a reduced number of outlets to take a share of sales.

In 2017, Vauxhall averaged 602 sales per retail site, compared with 1,097 per site at Volkswagen.

Andy Barratt, the managing director of Ford UK, told AM in an interview this month (see our interview with Barratt on page 34) that the blue oval's network now stands at 460 sites, which is a decline of 90 sites over the past five years. Ford averages 623 sales per retail site.

David Peel, brand director at PSA Group-owned Peugeot UK, told AM last year of actions to improve his network's profitability (0.85% RoS) by reducing it from 211 sites to 185.

Two-year termination notices were served on 22 Peugeot dealers in Q4 2016, to shrink the network by the end of 2018.

Vauxhall franchisees have already had one meeting with Norman and a more strategic plan is to be

discussed in a further meeting in April, one dealer told AM.

He added: “Materially, it is clear that (PSA) have accepted a smaller market share and they are not to push volume to the extent of General Motors.

“If you are stressing the hell out of the franchise and constantly pre-registering, it drives down the value of new vehicles and makes competitive PCPs very hard to develop.

“It's not a bad move if they can succeed in taking some of the stress out.”

Dealers are already starting to assess which locations may be culled under the plan and suggested that groups capable of aligning Vauxhall with existing PSA Group brand partners on a multi-franchise site may find favour.

“It's hard to see that if you are just running one Vauxhall site and you're in a 'secondary area' you won't be very vulnerable,” said another dealer.

However, he added: “If you are a Pendragon, Go Motor Retail, Drive

Motor Retail, Eden Group or Peter Vardy then you are likely to benefit from the lesser number of retail sites.”

Motor retail's low profile

So far, publicity surrounding PSA Group's changes to Vauxhall since it acquired it in a £1.9bn deal last April has been confined to concerns about its manufacturing plants.

After talks with Carlos Tavares, the chief executive of PSA Group, Unite general secretary Len McCluskey said “there will be no 'death by a thousand cuts' for our plant – Mr Tavares has assured me of such”.

The business secretary, Greg Clark, travelled to Paris for talks with Tavares amid growing fears that the French company would close Ellesmere Port, and Margaret Greenwood, shadow minister for employment, raised the subject on BBC's *Question Time*.

However, no mention has been made of the fate of employees at Vauxhall's UK retail sites and authorised repairers.

11/17

Groupes PSA and BNP Paribas complete a joint acquisition of the financial operations of Opel and Vauxhall. They create a new organisation combining the existing brands Opel Bank, Opel Financial Services and Vauxhall Finance.

01/18

PSA Group calls for a further 250 voluntary redundancies at Ellesmere Port.

01/18

Vauxhall appoints PSA Group's former head of sales and marketing, Stephen Norman, as its new managing director. He replaced Rory Harvey.

03/18

At the Geneva Motor Show, Carlos Tavares, PSA Group's chief executive, said Brexit was a “big concern”, adding: “We cannot invest in a world of uncertainty”.