



# Adding value for dealers beyond the valet bay

The valeting industry has gone beyond its original remit of cleaning cars in recent years, to offer a range of associated services that have reinforced motor retail businesses and also proved useful drivers of growth.

Autoclenz is one such company. The oldest original company in the valeting market – it was founded in 1969 – Autoclenz has continued to innovate and develop the range of services it offers to its customers. That innovation has paid off – its turnover last year was £40 million, with a profit of just under £2m. This year, it expects to grow by about 4%, with profit breaking that £2m barrier.

Valeting is the foundation of Autoclenz's success and is still a significant part of the company's operations. This year has been, in the words of Martin Peters, sales director, "the year of the tender – everyone's looking at their costs within dealers and looking to get better value for money".

The company has proved itself successful despite tightening budgets, though. For example, despite intense competition, it has managed to maintain its 18-year relationship with Mercedes-Benz Retail Group, worth £6m a year.

There are challenges to the industry, with Brexit looming larger as we approach March

2019. The reliance of the industry on European operators (about 70%, in the case of Autoclenz) is proving problematic – the supply of labour is starting to dry up, which is driving up the cost of hiring new operators.

Peters said: "Pure labour cost is the main commodity of our service offering. It's 80% of our price. Five years ago, that was 75% of the price. The margin's being squeezed from both ends. The labour costs are going up and the dealers don't want to pay any more. In fact, they want to pay less. That's the reality of the challenge in our world."

But valeting services have led to suppliers such as Autoclenz developing additional

features that add significant value, such as the new mobile diamond-cut alloy wheel service that is being launched this September. It's a premium service for premium automotive products that should help dealerships maximise the value of the cars they sell.

Peters explained how the new service will work: "In the old days, you could take the wheel off, hand-grind the wheel down, put a bit of filler in, bake it, spray it and that was good enough. It looked okay to sell and would last."

"With diamond-cut wheels you cannot do that. The only way you can rework a diamond cut alloy wheel is with a specialist lathe. Typically, businesses doing it, will go to the dealership, remove the wheel or wheels from the vehicle and take them away to be repaired, taking three days. The car is sitting at a dealership on axle stands for three days."

"We've invested £120,000 in a bespoke vehicle that has a lathe onboard. It can come on-site to the dealership and, in an eight-hour working day, we should be able to do a minimum of six to eight wheels."

**“LABOUR COSTS ARE GOING UP AND THE DEALERS DON'T WANT TO PAY ANY MORE. IN FACT, THEY WANT TO PAY LESS”**

MARTIN PETERS, AUTOCLENZ

Launching initially in the Midlands, Autoclenz is planning to eventually have 10 to 12 vans nationally delivering the service.

It's building on Autoclenz's existing SMART repair operation. "It's mainly the implant of a body shop mobile facility that stays in a dealership and can take care of their SMART repairs," said Peters.

"The dealer can turn around a stock vehicle available for sale quicker and can make revenue to offset their cost, by selling it over the service desk and generating a guaranteed margin. And we take all the stress out of it."

Another service that has rapidly become essential in recent years is imaging, which helps dealers capture the vehicle in its optimal selling state.

Peters said: "Everybody buys things online today – 60% of the buying of a vehicle is done from a sofa. It's really important that the photos or video that the general public have access to are of good quality. The best time to capture those images is when the vehicle is freshly valeted."

"As part of our service, at the point of finishing a valet, we will image the vehicle and upload those images. The dealership not only has the vehicle brought around the front

so they can put a price board in ready for sale, it's already on their website available for sale as well."

The valeting process frequently involves moving cars, so Autoclenz also offers a logistics service to help its clients. This can help service departments, for example, offer a collection service to a dealership's customers that not only adds a convenience to their interactions, but also adds value.

"We offer the dealer a collection and delivery service. The take-up is growing – inside the M25, it's now hovering around 40% of our supporting dealerships. We will, on behalf of the dealership, collect a vehicle from wherever the customer wants, so they can get on with their day. We take that vehicle into the dealership, it will be serviced, have its service wash and be returned to the customer at any address they wish."

"In particular locations – Birmingham, Manchester, Bristol, London – we use electric foldaway bikes. We're totally self-contained. As our guy comes into work in the morning, he can go to the first address and pick up the first car – which is great for the service department, because they've got one of the first cars of the day waiting at eight o'clock."

Coordination of all these services is possible using Autoclenz's management information dashboard technology, which will ensure that a car is valeted only when it needs it, eliminating wastage. It also registers quality checks and feedback, and provides customers with an overview of all their valeting activity.

"From a dealer group perspective, where we may have 30, 40, 50 sites nationally, it's a wonderful way of viewing the whole estate and getting a real view of what Autoclenz is doing for you today," said Peters.