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SAFETY IN NUMBERS

HOW MD KRISTIAN ELVEFORS AIMS TO DELIGHT VOLVO DEALERS WITH SOARING SALES & RISING RETURNS

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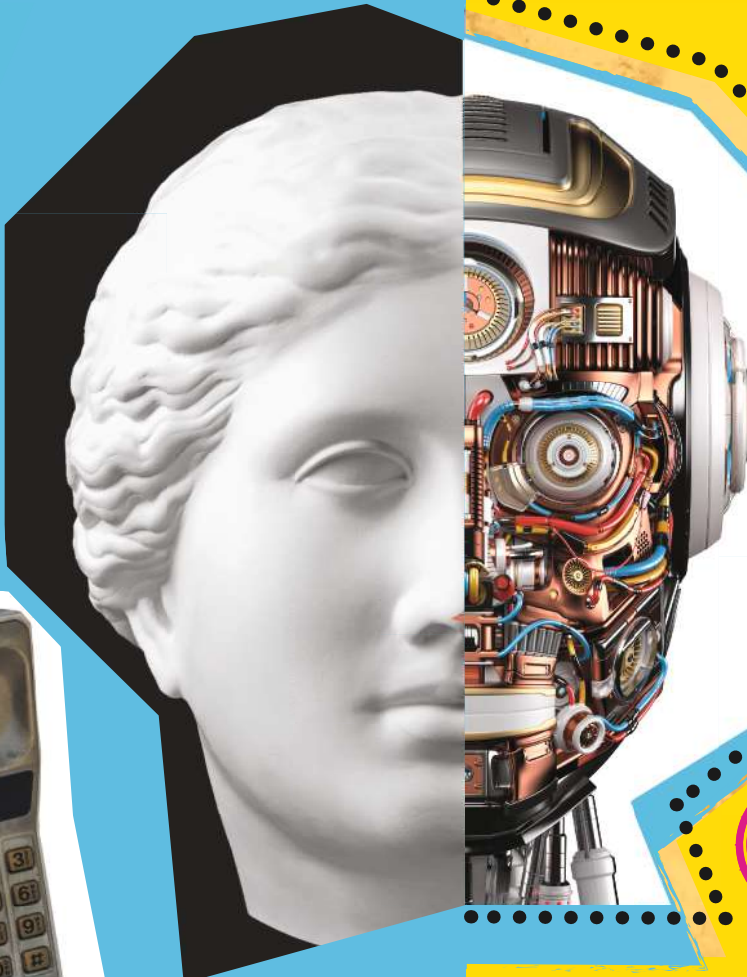
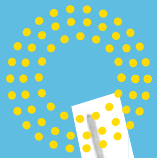
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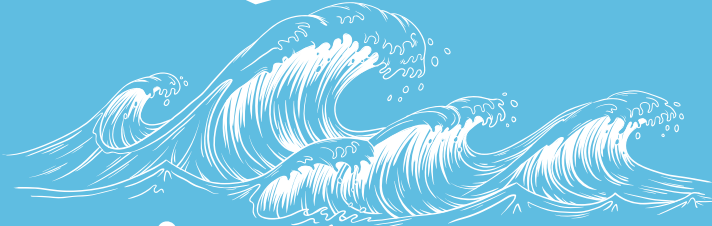
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EDITOR'S LETTER

Are we on the cusp of an electric revolution? There are more than 30 EVs due for launch or at least to be revealed during 2020, and I find it a bit exciting. Clearly the UK car market will be dominated by petrol engines for probably another decade yet, but now the fear factor is being ironed out of EVs, isn't this a great opportunity to excite consumers? Having been fortunate to recently run a Mitsubishi Outlander PHEV, and having lived with a couple of early generation Nissan Leafs this decade, I'm convinced many private motorists will soon get comfortable with the idea of never visiting a fuel station again. Why shouldn't a car charge up while we're getting some sleep?

The challenge for UK dealers will be getting enough allocation. The cars are getting so useable, becoming desirable, and will be more affordable. Consumers will become impatient. That's potentially good news for residual values, if demand outstrips supply for a while, but less so if you lose customers to rival brands because their models are available sooner.

In this tough marketplace, let's see EVs as a good opportunity, rather than more trouble ahead.

One thing will sadden me in the future, though. I'll miss the addictive whiff of petrol.



HAPPY CHRISTMAS FROM THE AM TEAM



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PSA MERGER MAY GROW FCA PRESENCE IN AM100

Carmakers' deal will build stronger group, but will create 'winners and losers' among dealer networks, say industry analysts

FCA Group representation among the AM100's top retail groups may grow as a period of franchise consolidation follows the manufacturer's planned merger with PSA Group, it has been claimed.

While joint retail sites bringing together the resulting manufacturer group's 15 brands in any single multi-brand car retail locations were deemed unlikely by ICDP managing director, Steve Young, he expects clearly defined "winners and losers" to emerge from the new automotive giant.

If discussions between PSA Group and Fiat Chrysler Automobiles (FCA) bear fruit, the result will be the world's fourth-largest carmaker, with annual revenues of £145.9 billion, recurring operating profit of more than £9.4bn and combined vehicle sales of 8.7m.

In the UK, the new group would have achieved 365,888 sales in 2018 (market share: 15.5%), almost double that of the South Korean power pairing of Kia and Hyundai's (185,689; market share: 7.8%).

The volume commanded by the new entity would likely give it added leverage when negotiating with franchisees.

Speaking to *AM* earlier this year, Arnaud Leclerc, the

chief executive of FCA Group UK & Ireland, said: "Certain conversations have been difficult since I started.

"When you're delivering 15% market share, those conversations don't happen."

Young said the new PSA/FCA entity would almost certainly deliver "some consolidation of investors", adding: "Existing PSA dealer investors will be expected to take on territories which currently have weaker investors for FCA, and existing PSA initiatives in the parts sector will be extended into the FCA brands.

"Inevitably, this will bring winners and losers, but the resulting dealer body should be stronger."

In its statement issued on October 31, FCA and PSA announced its plan to create a single business under a Dutch parent company, listed on the Paris, Milan and New York stock markets.

Detailing their joint plans to complete a new automotive manufacturing group owned 50% by PSA shareholders and 50% by FCA shareholders, FCA and PSA said the deal could save about £3.17bn a year without the need for plant closures. It said 80%

of the savings would be achieved after four years.

Carlos Tavares, the chief executive of PSA who would lead the new business, said all the brands currently operated by the two groups would be retained.

Speaking to French news outlet BFM Business, Tavares said: "I see that all these brands, without exception, have one thing in common – they have a fabulous history... So today, I don't see any need, if this deal is concluded, to remove brands, because they all have their history and they all have their strengths."

RETAIL RESTRUCTURE?

What remains to be seen is whether the same strict ratio of sites to sales will be applied in the franchised retail sector in an effort to drive profitability in the UK.

FCA Group's 211 UK retail sites

March 2018, as reported exclusively in *AM* at the time.

A month later, in April last year, Vauxhall UK managing director and chairman, Stephen Norman, confirmed to *AM* that all franchise contracts would be terminated as the brand began a complete refranchising programme.

The 2019 edition of the ICDP's European Car Distribution Handbook (ECDH) reported that the number of franchised car retail sites across Europe had declined by 16% in the past decade – with 52,000 dealerships remaining – but asserted that the reductions made by car manufacturers to date were "much less significant than required to increase network profitability significantly".

In his comments on the proposed FCA/PSA merger, Young suggested that the shared online retail know-

how of the two manufacturers could be brought together to drive a new omnichannel retail strategy.

Peugeot launched its Order Online platform in August 2017 and FCA has experimented with online sales completed via Amazon on the Continent.

Young said: "Greater scale means that this is likely to be offered faster than would otherwise be the case."

COST SAVINGS WITHOUT CLOSURES

FCA's manufacturing plants in Italy are likely to be more vulnerable to potential cuts than retail networks in the event of the FCA/PSA merger, according to market analysts.

The Italian-American carmaker has 27 manufacturing facilities

handled 52,885 sales across the Abarth, Alfa Romeo, Fiat, Jeep and Maserati brands in 2018, resulting in 250 new car sales per site.

Vauxhall, which had a much higher sales per site figure of 602 – 195,137 car sales in 2018 were handled by a network of 324 sites – restructured its network under its new owners, PSA Group, in



for vehicles and parts in Italy and overstaffing in underfunded factories running far below capacity is said to be a serious problem.

Despite Brexit-related ultimatums regarding the future of the UK's Ellesmere Port Vauxhall manufacturing facility under PSA ownership, any savings yielded by the FCA/PSA merger will be made without the need for plant closures, October's joint statement from the brands said.

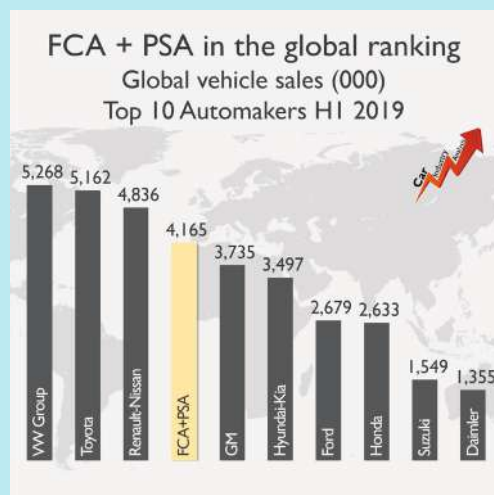
It stated: "The significant value accretion resulting from the transaction is estimated to be approximately €3.7bn in annual run-rate synergies derived principally from a more efficient allocation of resources for large-scale investments in vehicle platforms, powertrain and technology and from the enhanced purchasing capability inherent in the combined group's new scale.

"These synergy estimates are not based on any plant closures."

As the statement spells out, one of the key areas for savings will be through FCA's ability to tap into PSA's wide range of existing vehicle platforms – including those for its emerging crop of hybrid and electric vehicles (EVs).

FCA's proposed £28.3bn merger with Renault – which broke down after the French carmaker's largest shareholder, the French government, allegedly stalled a potential deal back in June – would have brought similar benefits.

According to Jato Dynamics, electrified vehicles counted for 0.2% of PSA and 1.4% of FCA global



sales for the year to the end of September, but PSA's insistence that it is not volume-restricted with its new Peugeot e-208 (see review on page 70) suggests it is ready to deliver EV volume.

PSA will introduce 15 new electrified vehicles in just two years, including the new DS Automobiles DS 3 E-Tense SUV, which was launched as AM went to press.

Access to these alternative fuel vehicle (AFV) platforms will allow FCA to ditch its strategy of buying Tesla credits in an attempt to meet the EU's strict CO2 emissions regulations for 2020.

Jato Dynamics analyst Felipe Munoz thinks the CMP platform that underpins the new 208 is just what Fiat and Alfa Romeo need. Alfa Romeo's first small hatchback, the Mito, and the Fiat Punto have both left FCA forecourts in recent times. "FCA could make use of the

new 208/Corsa platform to re-enter the supermini segment with a new Punto," he said.

The combined operations of FCA/PSA would give it market dominance in the burgeoning SUV sector right away, however.

Together, their brands control 22% of the segment across Europe, according to Jato, outselling VW Group, which currently has 21.6% market share.

Young said PSA's influence could also bring about more consistent supplies of new product to FCA's UK retail network, "following the pattern applied to Vauxhall". He said this could mean "stress on the dealer network from excess inventory, pre-registrations and too much supply into daily rental and other similar channels should reduce".

MANNING THE MERGER

PSA's acquisition of Vauxhall from



General Motors resulted in a restructure of its UK management operations, which brought about the sale of its Griffin House headquarters in Luton, and moved back-office jobs to the French manufacturer's Coventry base.

Similar changes could result from a merging of FCA and PSA.

The board of the new group would include six members from PSA and five from FCA, in effect giving the French company control.

The Dutch parent company will have FCA's John Elkann in his familiar role of chairman and Carlos Tavares as chief executive and member of the board.

Mike Manley, who took over as the chief executive of FCA following the death of Sergio Marchionne in August last year, has been suggested as the new business's leader in the Americas.

TOM SHARPE

OPINION: CARMAKERS' MERGER STRATEGY IS A CURATE'S EGG

The deal to merge the FCA and PSA manufacturer groups makes perfect sense at a strategic level – PSA gets access to the US market, and the very profitable Jeep and RAM brands and Fiat gets access to car platforms that belong in the 21st century.

Without a PSA tie-up, it is hard to see how Fiat could survive as a carmaker (it does well in commercial vehicles, but that is a different business).

The combined company would have the resources to accelerate electric vehicle development, where PSA is fairly weak and

FCA is almost non-existent.

However, it also creates problems. Fiat has huge over-capacity, but will have to pledge to keep factories open to get Italian approval for the deal. PSA cannot close any more factories in France, and Opel won't allow factories to close in Germany. That does not leave many opportunities to take out excess capacity.

There has been talk that PSA gets access to Fiat's premium brands, but that is a poisoned chalice.

Alfa Romeo and Maserati are

like baby cuckoos – they have an insatiable appetite for investment, but give nothing back.

What evidence is there that PSA could do any better? DS is almost Alfa-like in its hopelessness.

It also does not help in China, where both companies are so small that they are almost invisible to the naked eye.

Overall, the merger is inevitable – PSA has had its eyes on FCA for years. The task is to turn Fiat into a viable car company in Europe and figure out what to do with the premium brands –

could PSA consider selling them to an ambitious Chinese company or even VW?

However, the price of trophy assets has dropped recently – there was a time when the Alfa Romeo brand was worth a lot, but even the Chinese are more cautious than they were five years ago.

PSA will have to work very hard to turn this into a dynamic, streamlined organisation.

It would be very easy to end up with two drunks leaning against each other for support.

DAVID FRANCIS

ADVERTISING FEATURE

Get ready for SM&CR

By Matt Wood, head of operational compliance monitoring, Alphera Financial Services



On December 9 this year, the FCA will introduce the Senior Managers and Certification Regime (SM&CR) to consumer credit firms – including car finance sellers. The FCA sees SM&CR as a catalyst for change, encouraging greater accountability

for individuals responsible for the sale of consumer finance products, and setting a new standard for personal conduct.

While this has a direct impact on many dealers, finance brokers and lenders in the UK motor industry, this is no flash-in-the-pan initiative from the FCA. The SM&CR introduces a new level of accountability for finance professionals, a holistic approach where the FCA takes it as an opportunity to establish healthy cultures and effective governance in businesses by encouraging greater individual accountability and setting a new standard of personal conduct.

The key steps below provide an overview of the necessary actions you need to implement for your business:

- Check the type of company you are.
- Convert Approved Persons to Senior Management Functions (SMF)
- Make sure you have an up-to-date Statement of Responsibilities
- Identify any Certified Individuals (CI)
- Prepare certification processes
- Prepare to submit data to the FCA's Directory
- Make sure all staff have undertaken appropriate training
- Make sure you can evidence the 'Reasonable Steps' you've implemented
- Make sure you have a process in place for Breach Reporting.

■ **Contact ALPHERA Financial Services by emailing alpheramarketing@alphera.co.uk or go to www.alphera.co.uk**

Disclaimer: The information provided is for your guidance only. It is not legal advice and must not be relied upon as such.



THIS MONTH'S NEWS HIGH

OCT

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FORRESTER WISHES HE COULD 'BAN THE BBC'

Vertu Motors chief executive Robert Forrester said he wishes he could "ban the BBC" among group employees as he attempts to block out Brexit negativity. Speaking to *AM* following the publication of Vertu's H1 2019 financial results, which revealed a 5.6% growth in total revenues (to £1.6bn) and a 4.9% increase in pre-tax profits (to £17.3m), Forrester said: "Taking too much notice of the negativity out there is the last thing that we wanted the people in our business to do."



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STURGESS SELLS LEICESTER VOLVO SITE TO TMS

Sturgess Motor Group withdrew from the Volvo Car UK franchise with the sale of its franchise in Leicester to TMS Motor Group after revealing a pre-tax loss of £1.26 million in its 2018 financial results.



The group said the returns presented by the Volvo site in Leicester "did not justify the future expenditure required by the manufacturer".

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Pendragon | PLC



PENDRAGON USED CAR REVENUE DOWN 16.7% IN Q3

Pendragon reported that group revenues had fallen a further 3.6% as its used car sales turnover declined by 16.7%, in an interim statement for July 1 to September 30. Gross profit from used cars fell 17.3% in the quarter, during which the group also closed 22 of its Car Store used car supermarkets.

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SANDICLIFFE EXITS FLEET LEASING MARKET

Sandiccliffe Motor Group's Sandiccliffe Motor Contracts (SMC) has quit the UK fleet market. SMC was 37th in the most recent FN50 rankings of the UK's largest fleet players by *AM*'s sister title, *Fleet News*. Just nine dealer-owned leasing companies now operate in the sector following the withdrawal of Inchcape Fleet Solutions and Bank of Ireland UK's acquisition of Marshall Leasing in 2017.

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FORD 'COMMITTED TO UK'

Ford of Britain chairman Graham Hoare said the consolidation of its UK sales and marketing operations on its Dunton Technical Centre property in Laindon, Essex, "shows our continued commitment to the UK". The manufacturer announced its engine factory in Bridgend, Wales, will close in 2020, putting 1,700 people out of work.





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BRUCE AND MCMINN STEP DOWN AT LOOKERS

Lookers announced that chief executive Andy Bruce and chief operating officer Nigel McMinn are to leave the business this

year. They agreed to step down from the board as Lookers issued a profits warning and announced that the Financial Conduct Authority (FCA) had begun a formal investigation into its consumer credit regulation compliance. The group has stepped up its "portfolio consolidation" and plans to close 15 dealerships.

SAXTON 4X4 TO PAY £64,000 FOR 'DELIBERATE MIS-SELLING'

Saxton 4x4 was fined £27,375 and ordered to pay £37,375 in costs after a Trading Standards investigation uncovered evidence of "deliberate mis-selling" and "very poor business practices". The case followed an investigation by Essex Trading Standards surrounding the description of a vehicle which it sold on more than one occasion during the course of 2017 and 2018.



ENDEAVOUR TO OPEN FIRST UK POLESTAR SPACE, IN LONDON

Endeavour Automotive managing director Adrian Wallington revealed his business's plan to open the UK's first Polestar Space with a

LinkedIn message posted in appreciation of the brand's debut facility. Taking to LinkedIn, Wallington said: "Wow, how cool is the Polestar Space in Oslo, coming to London soon Endeavour Automotive Ltd #polestar #automotive #endeavour #london." Andrew Pilkington, head of Polestar UK, responded that he was "Super excited!"

YORKSHIRE CAR RETAILERS BATTLE FLOOD SETBACKS

Car retailers in South Yorkshire showed their resilience with a series of rapid clean-up operations after a month's rainfall fell in just one day. Businesses in Sheffield and Rotherham were forced to close after the River Don broke its banks. Burrows Motor Company managing director, Steve Burrows, whose riverside Rotherham Toyota dealership moved cars to other sites and higher ground the night before, said: "Still, I wasn't expecting the river to breach the 12-foot-high wall behind our dealership."

BREXIT WILL PUSH UK OFF TOP SPOT FOR LAMBORGHINI SALES

The impact of Brexit will relegate Britain to second place in Lamborghini's ranking of its top-performing supercar sales markets, according to EMEA region chief executive Andrea Baldi. "I don't expect Brexit to destroy the market, but it will definitely impact on us", said Baldi, who was speaking at the opening of Park's Motor Group's new Lamborghini dealership in Leeds.

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ADVERTISING FEATURE

How will consumers change in the next decade?

By Carol Fairchild, commercial director, CitNOW



The next decade's car buyer is demanding your attention today and Generation Z, born from around the mid-1990s to the early 2000s, is an altogether very different consumer.

Generation Z, who will be in their 20s and 30s in the 2020s, have never known a non-digital world. Growing up in an era of austerity, they pursue truth, demand transparency and are far more pragmatic when making purchases.

A study by McKinsey refers to them as the 'True Gen' and video will be vital in delivering the facts they crave. Generation Z are wedded to their phones, so content has to be smartphone-friendly. In our latest research, Evolution of the Car Buyer, we found 75% of 18- to 24-year-olds reach for their hand-held device when researching their next vehicle.

Individual identity is paramount, but they are also happy flowing between different communities, so gaining their loyalty could be challenging.

The good news, though, is if Gen Z thinks your brand reflects their individual identity and the personalisation they experience hits the right note, they are more open to paying a premium price. Plus, their open-mindedness means they are more willing to accept the failings of companies and forgive mistakes if corrected.

Unlike previous generations, who saw brands as a reflection of status (Generation X) or providing a sense of belonging (millennials), Generation Z are ethical. Videos highlighting a brand's ethics, commitment to human rights and backing of particular causes are likely to resonate. In fact, 70% of respondents try to purchase products from companies they consider ethical*.

Interestingly, almost half (48%) preferred products that are not classified as male or female, compared with 38% of other consumers. This is new territory for marketers, who will need to ensure content does not have a gender bias.

■ Download your copy of our Evolution of the Car Buyer report at: www.citnow.com/resources/evolution-car-buyer-2019/

*True Gen' Generation Z and its implications for customers, Nov 2018, McKinsey & Co.



NEW CAR REGISTRATIONS

DIESEL SHARE DROPS TO NEAR HALF ITS MARKET HEIGHT

Less reliant brands with smaller vehicles accelerate their move away from oil-burners

The drop of 2.85% for the month appears quite moderate, especially as it occurred in the lead-up to the Brexit deadline of October 31. However, as with September's figures, this month's numbers were flattered slightly by the WLTP-related fall in registrations last autumn. Over a three-year period, October sales have fallen by 20.5%, which is a very significant decline.

At a manufacturer level, Ford is continuing to decline at a faster rate than the overall market, resulting in its YTD market share falling to 10.2%, from 10.8% for the same period last year. The striking thing about Ford's market share is that it is now concentrated in such a narrow part of the market: 89.2% of sales come from B- and C-segment hatchbacks and crossovers (plus a tiny number of C-segment MPVs). For a company that used to talk about "white-space" vehicles (cars that created new niches, such as the original S-Max), large parts of the market are now a white space to Ford.

In contrast, second-placed Volkswagen has maintained registrations, and slightly increased market share to 8.6% YTD. Next year, the relative performance of Ford and VW will depend on the reception to the new Puma and the new Golf. It seems unlikely that VW could catch Ford in a single year, but it is possible that VW could significantly close the gap between them.

In third place, Mercedes-Benz is consolidating its position ahead of BMW. YTD, Mercedes is approximately 8,000 units ahead. In the same period of last year, it was approximately 2,000 units in front. BMW itself is now fractionally ahead of Vauxhall, which has lost share as sales of the Astra and Insignia fade – the two models have dropped almost 10,000 units YTD.

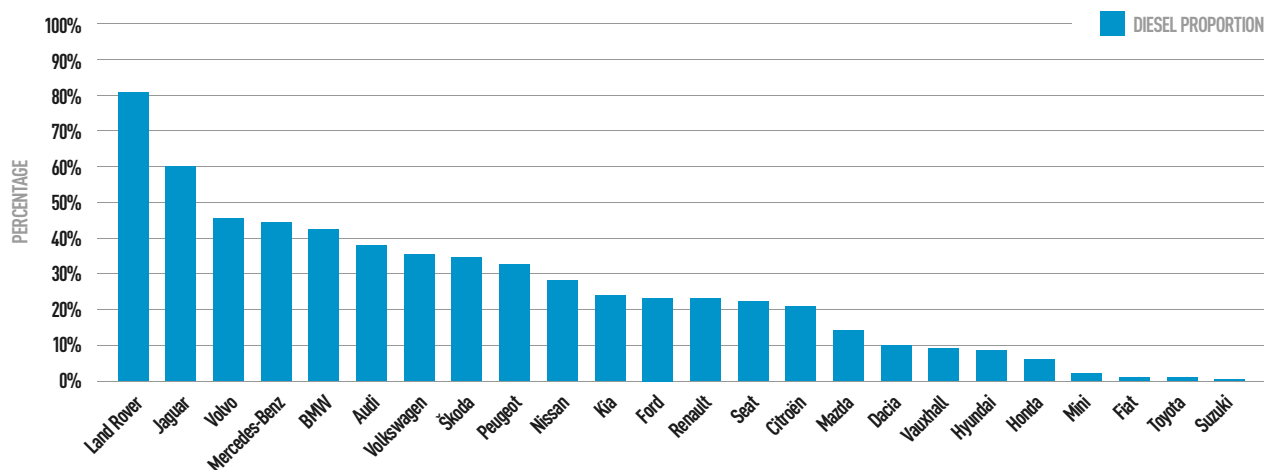
Of the other Top 10 brands, the biggest fall in sales has come from Nissan (down 11.4%). The good news is that the new Juke is now in production and should start making a difference to the sales figures from the start of 2020. The bad news is that 2020 will also be the last year of production for the second-generation Qashqai, so Nissan will not be

properly out of the woods until 2021. Conversely, the best sales improvement has come from Toyota, who increased sales by 1.5% in volume terms (or 4.3% better than the overall market). This is due to the new Corolla (with a little help from the C-HR), showing yet again the importance of fresh product – so long as the fresh product is also good.

Outside the top 10, the best performance of the brands with more than 1% market share has come from Dacia (up 32.9%), as it has replaced its all-important Duster. However, the most significant increase is probably Volvo (up 14.3%) for two reasons. Firstly, Volvo has increased volume by a larger amount (6,000 units vs 4,000 for Dacia) and, secondly, because it represents a change in image for the brand. From being a bit of a tail-end Charlie in the premium segment (five years ago, few people chose a V40 over a 1-Series), Volvo is now a fully competitive alternative – the XC40 can go head-to-head with any competitor.

The least surprising figure so far this year is diesel, which has dropped to 26.8% market share, with registrations down 18.1%. However, what is

2019 DIESEL PROPORTION



SPONSOR'S COMMENT



**By Richard Jones,
managing director,
Black Horse**

The Financial Conduct Authority (FCA) published its consultation paper on

changes to motor market consumer credit regulation (CCR) in October. I wanted to reflect on the consultation and consider the next steps on the proposed changes.

There are two key areas of focus for the FCA – commission structures and commission disclosures. Given the potential conflicts in current commission models identified by the FCA, we welcome its efforts to deal with this. As with any important change in the market, finance providers and intermediaries will need to work through the detail of the proposals ahead of implementation and engage with the FCA to ensure the final rules are clear, allow for fair outcomes and avoid unintended consequences.

Commissions can continue to be earned, but the FCA aims to remove the possibility of dealers and brokers influencing APRs to optimise their commission, by banning commission structures linked to the rates and charges in the consumer credit agreement. The regulator expects that the removal of that influence from the market will lower APRs and variability over time, with customer price differentials driven only by objective factors, such as a customer's credit risk or extra effort undertaken by the broker.

The proposed changes to disclosures will help to build customer confidence and trust, and I do not expect them to put customers off doing business. The changes are a positive step forward and will improve customer awareness of commission earlier in the buying process. Improving the customer experience in this way is good for customers, lenders and intermediaries alike.

Finally, it is also positive to note what the FCA is not proposing to change. It has made positive comments about the value and appropriateness of PCP as a product, and has also concluded its work on affordability and creditworthiness with no further market action. Across the vast majority of our market practices, the FCA sees no further need to change its regulatory approach, although no doubt it will continue to focus on any company-level practices that could cause harm to customers. That in itself is a strong statement for the market's effective adoption of CCR over the past four years.



“THERE IS A BROAD CORRELATION BETWEEN VEHICLE SIZE AND THE [BRAND'S] PROPORTION OF DIESEL SALES

interesting is the wildly different proportions in diesel sales of the major brands (see table, left). Land Rover has the highest proportion at 81%, while four brands have almost eliminated diesel altogether (the table covers all brands with at least 1% market share).

There seem to be two factors at work – the size of the average model in the range, and how keen the manufacturer is to drop diesel engines as a matter of policy. Land Rover has the largest and heaviest average model, because it has nothing smaller than an Evoque, while Jaguar has nothing smaller than the XE. People may assume that a range skewed heavily toward diesel is why JLR has suffered in the past two years, but that is not really true. Diesel sales of large SUVs and crossovers have held up well, because there is not yet much of an alternative – petrol is too thirsty and battery electric models are only just starting to appear. JLR's problems in the UK are because the Discovery 5 and XE have missed their sales targets by a big margin.

For all the brands with a diesel proportion of

more than 10%, there is a broad correlation between vehicle size and the proportion of diesel sales – premium brands are about 40%-45%, while the larger mainstream brands are mostly about 20%-30%. As one would expect, VW, as the one semi-premium brand, is between the two. That leaves Škoda as the main outlier, mainly thanks to the very diesel-heavy Superb large saloon, and the fact that the Octavia is unusually diesel-oriented – reflecting the fact that it is the large, practical choice in its class and is popular with fleets.

The list of seven major brands with a share of diesel below 10% is an interesting one. Vauxhall is keen to get out of diesel, because its own range of diesel engines were not particularly competitive, and it is not worth converting its models to PSA diesels, as the market shifts away from oil-burners. Honda has only ever seen diesels as a necessary evil, and Toyota is keen to promote petrol hybrids as the natural way to go. Suzuki has always bought in its diesel engines, so is happy to sell more of its own petrol motors, while most Fiat models are too small to make any sense as a diesel.

The most intriguing name on the list is Hyundai, because its diesel sales are under one third of sister-brand Kia. Given the similarity of the models, there seems no particular reason why the Ceed and the Sportage should have a diesel proportion more than three times higher than the i30 and Tucson. Is Hyundai positioning itself for a big push on electric vehicles?

DAVID FRANCIS

NEW CAR REGISTRATIONS

Lack of consumer confidence blamed for bulk of October fall

A 6.7% year-on-year drop in October's new car market, to 143,251 registrations, was largely due to falling consumer demand. Some 9,142 of the 10,348 fewer unit sales were in the private market.

The Society of Motor Manufacturers and Traders (SMMT) said the market, now in its eighth month of decline, needs "an injection of confidence".

Diesel sales were down 28% compared with October 2018, at 34,666 units, accounting for 24% of the month's sales. Alternative fuel vehicles, including mild-hybrids, won a 13.4% share of the market. The market share of petrol cars increased by 2.3ppts to 62.4%.

Michael Woodward, Deloitte's UK automotive lead, said concerns about personal finances and a drop in consumer confidence since Q3 meant many people are shying away from major purchases. Dealers have also told AM of some existing new car PCP customers switching to young used cars due to price hikes in PCPs for new models.

1 BMW

Its registrations were up 773 units (6.8%) thanks to its X2, X3 and X5 SUVs, while its saloon sales are heading backwards. The new X5 alone grew sales by 842 units.



2 LAND ROVER

October's 1,190-unit drop (17.1%) overall masked a 33% fall in Land Rover's private market sales during October, from 3,880 to 2,603 units. Private buyer demand for the Discovery Sport dropped by 37%, to 636 sales.

3 PORSCHE

A 391.8% rise, 1,289 extra sales, reflects the dire position Porsche was in due to WLTP-related supply issues in October 2018. Its Macan compact SUV registrations leaped fivefold from 99 to 490.

Marque	October					Year-to-date				
	2019	% market share	2018	% market share	% change	2019	% market share	2018	% market share	% change
Ford	16,745	11.69	16,820	10.95	-0.45	204,869	10.22	222,923	10.80	-8.10
Volkswagen	13,733	9.59	13,666	8.90	0.49	170,773	8.52	171,351	8.30	-0.34
1 BMW	12,088	8.44	11,315	7.37	6.83	143,994	7.18	147,627	7.15	-2.46
Mercedes-Benz	11,319	7.90	11,716	7.63	-3.39	151,803	7.57	149,482	7.24	1.55
Audi	7,577	5.29	6,487	4.22	16.80	120,831	6.02	130,588	6.33	-7.47
Toyota	7,341	5.12	7,088	4.61	3.57	94,222	4.70	92,830	4.50	1.50
Nissan	6,217	4.34	6,433	4.19	-3.36	81,224	4.05	91,633	4.44	-11.36
Kia	6,160	4.30	6,312	4.11	-2.41	86,345	4.31	85,038	4.12	1.54
Vauxhall	6,007	4.19	9,437	6.14	-36.35	143,236	7.14	153,093	7.42	-6.44
2 Land Rover	5,752	4.02	6,942	4.52	-17.14	66,465	3.31	67,246	3.26	-1.16
Hyundai	5,538	3.87	5,297	3.45	4.55	74,207	3.70	81,095	3.93	-8.49
Peugeot	5,092	3.55	5,424	3.53	-6.12	69,628	3.47	71,010	3.44	-1.95
Škoda	5,033	3.51	5,094	3.32	-1.20	63,603	3.17	63,199	3.06	0.64
Seat	4,644	3.24	4,216	2.74	10.15	59,639	2.97	54,706	2.65	9.02
Volvo	3,721	2.60	4,538	2.95	-18.00	48,069	2.40	42,044	2.04	14.33
Mini	3,367	2.35	5,116	3.33	-34.19	54,110	2.70	54,541	2.64	-0.79
Renault	2,942	2.05	4,072	2.65	-27.75	50,928	2.54	53,849	2.61	-5.42
Citroën	2,513	1.75	3,281	2.14	-23.41	45,031	2.25	44,736	2.17	0.66
Jaguar	2,416	1.69	3,324	2.16	-27.32	31,780	1.58	31,999	1.55	-0.68
Honda	2,229	1.56	2,771	1.80	-19.56	38,405	1.91	46,947	2.27	-18.19
Mazda	1,992	1.39	2,366	1.54	-15.81	35,316	1.76	35,062	1.70	0.72
3 Porsche	1,618	1.13	329	0.21	391.79	11,618	0.58	10,962	0.53	5.98
Fiat	1,582	1.10	1,963	1.28	-19.41	26,452	1.32	31,145	1.51	-15.07
Dacia	1,287	0.90	1,778	1.16	-27.62	26,631	1.33	20,042	0.97	32.88
Suzuki	1,219	0.85	1,896	1.23	-35.71	30,950	1.54	34,246	1.66	-9.62
Lexus	1,098	0.77	674	0.44	62.91	13,924	0.69	11,322	0.55	22.98
MG	835	0.58	783	0.51	6.64	10,187	0.51	7,478	0.36	36.23
Mitsubishi	776	0.54	1,933	1.26	-59.86	14,297	0.71	17,591	0.85	-18.73
Jeep	411	0.29	376	0.24	9.31	5,289	0.26	5,275	0.26	0.27
DS	269	0.19	173	0.11	55.49	3,111	0.16	4,789	0.23	-35.04
Abarth	240	0.17	324	0.21	-25.93	3,128	0.16	4,842	0.23	-35.40
Alfa Romeo	210	0.15	227	0.15	-7.49	3,015	0.15	3,654	0.18	-17.49
Bentley	120	0.08	55	0.04	118.18	1,335	0.07	1,346	0.07	-0.82
SsangYong	92	0.06	166	0.11	-44.58	1,738	0.09	2,446	0.12	-28.95
Subaru	88	0.06	135	0.09	-34.81	2,132	0.11	2,803	0.14	-23.94
Smart	75	0.05	533	0.35	-85.93	3,943	0.20	6,759	0.33	-41.66
Maserati	72	0.05	99	0.06	-27.27	832	0.04	1,125	0.05	-26.04
Lotus	13	0.01	26	0.02	-50.00	209	0.01	226	0.01	-7.52
Alpine	12	0.01	3	0.00	300.00	149	0.01	128	0.01	16.41
Infiniti	6	0.00	22	0.01	-72.73	292	0.01	687	0.03	-57.50
Chevrolet	0	0.00	2	0.00	0.00	62	0.00	32	0.00	93.75
Other British	215	0.15	210	0.14	2.38	2,393	0.12	2,500	0.12	-4.28
Other Imports	587	0.41	177	0.12	231.64	9,357	0.47	4,022	0.19	132.65
Total	143,251		153,599		-6.74	2,005,522		2,064,419		-2.85

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FINANCE OFFERS

Carmakers tweak rates in hopes of Q4 flourish

New car retail offers in the UK have become more affordable than the previous two quarters this year, according to the latest analysis from AM.

According to AM's analysis of 259 manufacturer representative example retail offers from their websites, the average monthly payment was £352, a 1.9% decrease quarter-on-quarter.

However, the lowest priced months on average were still in Q1, when the monthly payment average hit a low of £311 to tempt buyers before the March plate-change.

Almost a third (32%) of offers in Q4 were below the average monthly payment of £352 and this tracks at a similar level to Q3.

The trend for price reductions quarter-on-quarter continues in Q4 with average deposits down by 4.2% to £5,990, compared with £6,250 in Q3.

Average APR rates increased slightly, from 4.2% to 4.3%, showing that the industry is broadly sticking to a similar approach quarter-on-quarter.

While monthly payments and deposits have fallen in Q4, the average balloon payment has actually increased by 3.2%, to £13,305. This shows manufacturers have been tweaking the figures in the last three months of the year to make payments more affordable, while ownership at the end of the contract has become less tenable.

Manufacturers have continued strong 0% finance support to close out 2019, with an 11.3% rise in the number of 0% APR deals to 59 out of 259 offers.

Dacia and MG have the joint lowest priced monthly offer in Q4, at £99 each. MG's offer is 0% though, while Dacia has a much lower deposit level and a much higher APR, at 6.9%.

The MG3, Ford Ka and Škoda Fabia are the most affordable 0% offers this quarter at £99, £99 and £105 respectively.

The most affordable models in the table for Q4 show a lot of smaller cars, as would be expected, but the Ford Tourneo Courier sticks out as a cracking deal for a compact family MPV for under £150 a month with a low deposit and low-rate finance.

The Audi R8 is the most expensive model of Q4 by monthly payment, at £1,399 a month. That's also following a £26,880 deposit and a final payment of £54,680 to own the car at the end of four years.

Citroën has continued its strategy from Q3 of having the least competitive APR rate out of any other manufacturer finance house in the UK, at 9.9% on its SpaceTourer people carrier.

Plug-in vehicles are becoming more affordable as the quarters go on – nearly all of those featured in AM's analysis are priced at a lower level than the

TOP FINANCE DEALS FOR RETAIL BUYERS

Model	Finance type	Deposit (£)	Term	Monthly payment	Final payment	APR	Offer ends
Top 10 most affordable by monthly payment							
MG3 Excite 1.5 DOHC VTI-tech	PCP	3,459.00	48	99.00	3,283.00	0.00%	31/12/2019
Dacia Sandero Access SSe 75	PCP	639.00	48	99.00	2,557.00	6.90%	31/12/2019
Ford Ka+ Zetec 1.2 Ti-VCT 85PS	PCP	2,327.00	24	99.00	6,147.00	0.00%	31/12/2019
Škoda Fabia Hatch S 1.0 MPI 60PS	PCP	2,239.65	48	105.00	4,110.30	0%	01/01/2020
Dacia Logan MCV Access SSe 75	PCP	1,002.00	48	119.00	2,947.00	6.90%	31/12/2019
Peugeot 108 Active 1.0L 72 3dr	PCP	3,700.00	48	119.00	3,092.00	0%	31/12/2019
Hyundai i10 SE 1.0 67PS Petrol 2WD Manual	PCP	2,700.00	24	123.37	4,432.50	4.90%	31/12/19
Dacia Sandero Stepway Essential SSe 75	PCP	821.00	48	129.00	3,552.00	6.90%	31/12/2019
Peugeot 108 TOP! Active 1.0L 72 5dr	PCP	4,077.00	48	129.00	3,645.00	0.00%	31/12/2019
Dacia Duster Access Tce 100 4x2	PCP	1,135.00	48	139.00	4,623.00	6.90%	31/12/2019
Top 10 most affordable by 0% offer and lowest monthly payment							
MG3 Excite 1.5 DOHC VTI-tech	PCP	3,459.00	48	99.00	3,283.00	0.00%	31/12/2019
Ford KA+ Zetec 1.2 Ti-VCT 85PS	PCP	2,327.00	24	99.00	6,147.00	0.00%	31/12/2019
Škoda Fabia Hatch S 1.0 MPI 60PS	PCP	2,239.65	48	105.00	4,110.30	0%	01/01/2020
Peugeot 108 Active 1.0L 72 3dr	PCP	3,700.00	48	119.00	3,092.00	0%	31/12/2019
Peugeot 108 TOP! Active 1.0L 72 5dr	PCP	4,077.00	48	129.00	3,645.00	0.00%	31/12/2019
Ford Tourneo Courier Zetec 1.0 EcoBoost 100PS	PCP	728.00	36	149.00	6,728.00	0.00%	31/12/2019
Fiat Panda Waze 1.2 69hp	PCP	4,121.00	40	159.00	4,121.00	0.00%	31/12/2019
Fiat 500L Urban 1.4	PCP	3,836.00	40	159.00	6,050.00	0.00%	31/12/2019
MG3 Excite 1.5 DOHC VTI-tech	PCP	169.00	48	169.00	3,283.00	0.00%	31/12/2019
Fiat Panda City Cross 1.2 69hp	PCP	2,345.00	40	169.00	4,451.00	0.00%	31/12/2019
Top 10 highest APR rates							
Citroën SpaceTourer Flair 2.0 BlueHDI M 150PS 8-seat	PCP	15,500.00	48	449.96	12,991.00	9.90%	31/12/2019
Citroën SpaceTourer Business 2.0 BlueHDI M 150PS	PCP	14,474.00	48	378.53	10,236.00	9.90%	31/12/2019
Subaru Levorg 2.0i GT Lineartronic CVT	PCP	6,026.50	48	369.00	11,118.00	6.90%	31/12/2019
Subaru Outback 2.5i SE Lineartronic CVT	PCP	5,012.75	48	349.00	12,259.00	6.90%	31/12/2019
Subaru Forester 2.0i XE Lineartronic CVT	PCP	5,634.50	48	349.00	11,449.00	6.90%	31/12/2019
Subaru BRZ 2.0i SE Lux 6MT	PCP	4,600.00	48	299.00	11,692.00	6.90%	31/12/2019
Subaru Impreza 1.6i SE Lineartronic	PCP	5,218.50	48	279.00	8,385.00	6.90%	31/12/2019
Subaru XV 1.6i SE Lineartronic	PCP	5,641.50	48	249.00	10,798.00	6.90%	31/12/2019
Peugeot 208 Signature 1.2L PureTech 82 S&S	PCP	1,987.00	48	238.57	4,764.00	6.90%	31/12/2019
Suzuki Swift Sport 1.4 Boosterjet 5DR	PCP	2,639.64	49	229.00	6,223.00	6.90%	31/12/2019
Top 10 EV or hybrid models by lowest monthly payment							
Renault Zoe Dynamique Nav R110	PCP	£3,855.00	48	199.00	£5,275.00	5%	31/12/2019
Smart EQ Fortwo Coupe	PCH	£1,693.00	36	219.00	N/A	N/A	31/12/2019
Smart EQ Forfour	PCH	£1,712.00	36	239.00	N/A	N/A	31/12/2019
Smart EQ Fortwo Cabrio	PCH	£1,649.00	36	249.00	N/A	N/A	31/12/2019
Mondeo Titanium Edition HYBRID Electric 2.0 TiVCT 187PS Auto	PCP	6,143.00	36	269.00	11,453.00	0%	31/12/2019
Hyundai IONIQ Hybrid First Edition 1.6 Petrol 141PS	PCP	£6,500.00	37	297.22	£10,485.00	4.90%	31/12/2019
Mitsubishi Outlander PHEV Design Petrol Auto 4WD (Leather)	PCP	£11,625.00	25	329.00	17,499.00	0%	31/12/2019
BMW i3	PCP	£5,079.00	48	349.00	£11,457.00	4.90%	31/12/2019
Kia Niro Self-Charging Hybrid 3 1.6 GDi 1.56 kWh battery auto DCT	PCP	£2,677.00	37	367.29	£11,902.50	5.90%	31/12/2019
BMW 225xe Sport Active Tourer	PCP	£5,449.00	48	369.00	£11,312.60	4.90%	31/12/2019

Q4 2019 AVERAGES FROM AM'S RETAIL OFFERS DATA

- Average deposit £5,990
- Average term 42.6 months
- Average monthly payment £352
- Average optional final payment £13,305

- Average APR 4.3%
- 259 offers in total
- 59 0% offers
- 163 offers priced at the average monthly level or below

£352 average for Q4. There are eight models below the monthly average in Q4, compared with seven last quarter. **TOM SEYMOUR**



SEARCH FOR FINANCE OFFERS

For a searchable list of manufacturers' finance offers, go to am-online.com/offers



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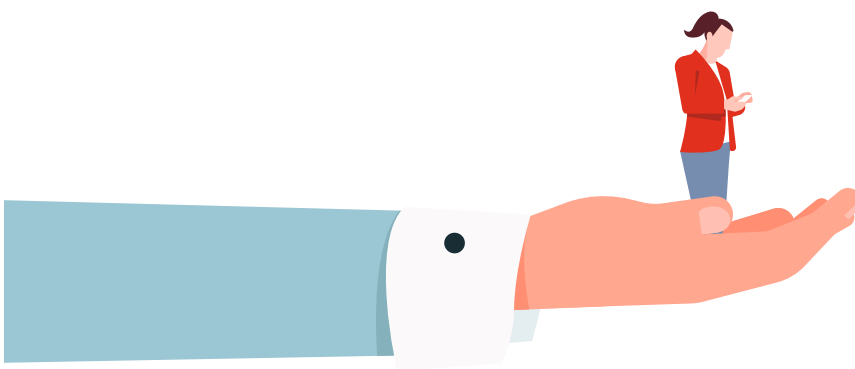
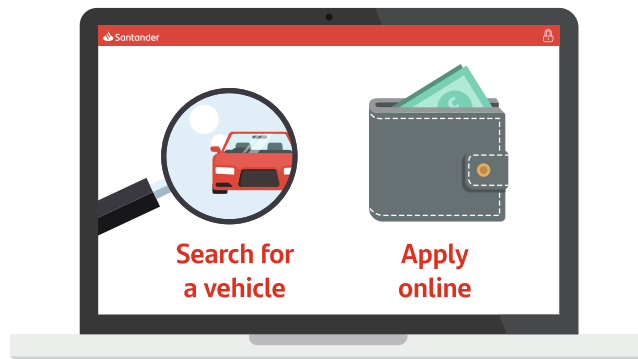
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WHAT CAR DEALERS CAN LEARN FROM 'TOTAL RUGBY'

PROFESSOR JIM SAKER is director of the Centre for Automotive Management at Loughborough University's Business School and an AM Awards judge. He has been involved in the automotive industry for more than 20 years



As I watched Japan end Scotland's chances in the 2019 Rugby World Cup recently, I reflected on a chance meeting several decades ago.

I was invigilating an exam at Loughborough University when I met Jim Greenwood, who had also been given the rather tedious job of watching students sweat over exam questions.

Greenwood was a former Scottish rugby international, who had played with the British Lions in the 1950s, and he was teaching and coaching at Loughborough. Rugby was still amateur and the university played against the likes of Leicester Tigers, Wasps, Harlequins and other strong teams.

His challenge as a coach was to help the students to compete in that situation, to come up with a strategy that would give the smaller players the opportunity to play effectively.

He described the approach in his book, *Total Rugby*. It transformed the roles on the pitch and introduced the concept of 15-man rugby, with every player involved.

One of those he influenced was a pre-knighthood Clive Woodward, who went on to coach England to win the Rugby World Cup in 2003. Sir Clive states in his autobiography that Greenwood's is "the only rugby book I've ever read".

Soon after that exam hall encounter, Greenwood left Loughborough for the University of Tsukuba in Tokyo, where he set

up Japan's national rugby coaching structures.

The Japanese players were smaller than those in the major rugby-playing nations and, as at Loughborough, their style of play and approach had to be different if they were going to compete.

So, what relevance does this have to us in the retail automotive sector? I am often asked about the future of car retailing. Will small dealerships survive? How do you compete against the big players? How does the High Street compete against Amazon?

Greenwood's answer was to break down the structures and silos that restricted what people did and how they reacted. Everyone was empowered to run with the ball, everyone took responsibility, everyone needed to be fit and agile to respond to the challenges facing them. He emphasised technical excellence and detailed preparation.

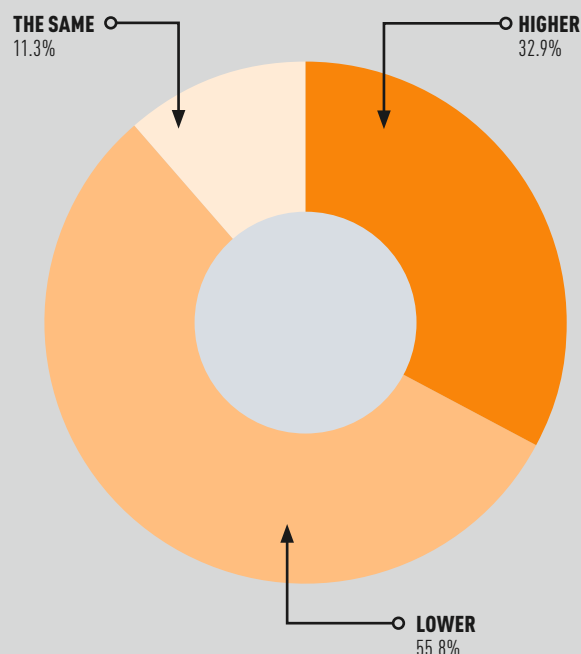
Large organisations often end up with structures that restrict the speed of response to customers. A smaller organisation with empowered and well-trained employees be more agile and end up gaining business against larger competitors.

As Scotland walked off the pitch having been beaten by Japan, I wondered whether Greenwood, who died in 2010, would have been sad for his home nation or pleased that his approach to the game, so readily embraced by the Japanese, had been successful.

"LARGE ORGANISATIONS OFTEN END UP WITH STRUCTURES THAT RESTRICT THE SPEED OF RESPONSE TO CUSTOMERS"

AMPOLL

DO YOU EXPECT YOUR NEW CAR SALES TARGETS FOR 2020 TO BE HIGHER OR LOWER?



Supply constraints and foreign exchange pressures are cited as reasons why the majority of our AM-online poll participants expect 2020 new car sales targets to fall.

Some dealers said they have already been advised of a reduction in stock next year. One said: "With the uncertainty of Brexit, there is no basis for an increase in targets and manufacturers need to be realistic in their expectations and must realise that even standing still is going to be a major challenge."

Another said: "2020 will be tougher than 2019, that's for sure, and if it's a no-deal Brexit, who knows? There will be supply constraints in 2020. It might help margins though."

Some voters felt the Government's varying support for low-emission vehicles has left the trade and customers confused, and planning ahead is a challenge.

Among those who expect targets to remain flat, one said manufacturers' "desperation to deliver cars" is pushing them "even further from the harsh realities".

Those who expect raised targets show a great degree of scepticism about carmakers' strategies. "I don't think manufacturers ever give fair targets these days, and with the amount of pre-reg, they are destroying the motor trade," said one dealer.

NEXT MONTH: HOW MUCH DO YOU EXPECT TO INVEST IN YOUR DIGITAL TEAM IN 2020?

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SEAT

**“ I HAVE NO DESIRE TO BE A PREMIUM FRANCHISE OPERATOR. THE THOUGHT OF IT SIMPLY DOESN'T EXCITE ME AND IT DOESN'T FIT WITH OUR BUSINESS MODEL
ALLAN OTLEY, CARS2**

FACE TO FACE: CARS2

'CAR RETAILERS SPENDING £14M ON A SITE... WHAT ARE THEY ON?'

Franchised or not, if selling cars doesn't make him more than 3% return on sales, then managing director Allan Otley isn't interested, he tells **Tom Sharpe**

Allan Otley believes that motor retail is still an aspirational business, but it quickly becomes apparent that he and his Cars2 Group have very little time for what he sees as the vanity of some parts of the sector.

"I have no desire to be a premium franchise operator. The thought of it simply doesn't excite me and it doesn't fit with our business model," said the former British Army sergeant from his desk in Cars2's headquarters, a Hyundai and Seat dual-franchise site in Wakefield.

It has taken Otley 13 years to transform what was a solus independent used car forecourt on Pontefract Road, Barnsley, into a cash-rich, £66 million turnover franchised retail group operating eight dealerships across South and West Yorkshire. But his aspiration is for the group to become a £250m turnover business while maintaining its return-on-sales (RoS) figure of more than 3%.

To that end, Otley has been negotiating with and presenting to potential car manufacturer partners in recent months, but premium brands were notable only by their absence from his conversation. They just don't match his standards on profitability.

Minutes after the start of our interview, Otley's phone rang. He excused himself before answering. "Tell them the price is the price," he said in a brief conversation before hanging up.

"We're just negotiating on a new site," he said when he got off the phone. "We've offered a good price."

That scrutiny of his business' spending is central to his attitude towards the economics of premium franchises.

"The very idea that the industry has reached a point where it simply accepts that 1% return-on-sales is the norm is utterly ridiculous," he said.

"It's a situation that has been brought

about by certain brands' demands for ever bigger, more extravagant 'gin palaces' and the potential for in-fighting between different brands.

"Car retailers spending £14m on a site... What are they on?"

"We are convinced we can be more savvy than that and partner with the right manufacturers – manufacturers that we can do a job for, but will also work with us to help us maintain our profitability."

Otley said the 3.8% RoS attained in the group's financial year to December 31, 2018, was delivered alongside disproportionately high costs.

He said the group had been structured for growth, and he has already assembled teams that will be able to cater for his targeted £250m business.

Although he gives no timeline for this growth, if he is successful Cars2 would not only enter the AM100 for the first time, but it would rise into the middle of the table, in the company of established occupants such as Vospers, Robinsons Motor Group, Barretts of Canterbury and Sandiccliffe Motor Group.

"As it stands, we are a cash-rich business with £8m sat in the bank," said Otley. "We're probably one of the strongest independent groups out there."

"I'm the group's only shareholder and over the years I have chosen to put the money that we have created through strong performance back into the business."

"That approach protects us for the future, but it also gives us the opportunity now to grow."

REALISING THE VISION

Otley said the motor trade suited his no-nonsense character and a working ethos he developed during his six years in the British Army Royal Transport Corps – until it was amalgamated into the Royal Logistics Corps in 1993, the corps' motto

was '*Nil sine labore*' ('Nothing without labour').

Otley said he felt at home after entering the motor retail sector at the age of 23, as a sales executive with Polar Ford, in Bradford.

"Being an ex-squaddie, I was used to processes and the daily routine of ensuring that we did things properly. That served me well from day one," he said.

Within 12 months, Otley was running the sales operation at another franchised site in Wakefield, before making the move to the heavily fleet-focused Henleys Vauxhall operation in Rotherham.

"That's absolutely not what the Cars2 business is about, but it did give me a grounding in that world," he said.

"Back then, that business was selling 10,000 Vauxhalls a year. I think that shaped some of my thinking when creating my own business. Cars2 is very much a margin business."

Otley said the hardest thing about setting up his own car retail business after growing "sick of selling cars for other people" was persuading the banks to lend him the £350,000 he needed. He also said he had to battle established franchised retail groups for locations before setting up Cars2's first dealership in a former Volvo showroom on Pontefract Road, Barnsley, in 2006.

From the start, Otley's vision was to create a small group of franchised car dealerships, within an hour's drive of one another, which would maintain a 3% RoS.

In 2007, he realised his plan to add a franchised site when he acquired Citroën, in Keighley, West Yorkshire. He sold the location five years later as the group looked to establish a more compact market area.

"When the traffic was bad, it could take well over an hour to drive to Keighley," said Otley.

Cars2's breakthrough came in 2008, when it joined the Hyundai franchise. The brand was about to embrace the

C Government's vehicle scrappage scheme under the leadership of its then UK managing director, Tony Whitehorn.

Hyundai's scrappage scheme success took its registrations from 28,000 in 2008 to 56,000 in 2009 and Cars2's revenues rose from £3.3m to £13.8m between April 2007 and April 2010.

In 2011, Cars2 added Hyundai Bradford to the portfolio after it acquired a former Audi site in the city to create a 'flagship' facility for the South Korean brand, before acquiring the Barnsley Peugeot franchise from Harratts in December of the same year.

This year, Cars2 will install Fiat/Abarth and Renault/Dacia in a multi-brand site on the site of that Peugeot franchise, after the group decided to end its relationship with the PSA Group brand this summer.

In its annual accounts, it said it would "release the property to allow for a choice of brand partners more aligned with the Cars2 retail approach".

Cars2 currently operates Hyundai (Barnsley, Bradford and Wakefield) and Seat (Wakefield and Barnsley) franchises alongside its newly added Fiat/Abarth and Renault/Dacia dual-franchised facilities in Barnsley, and an MG Motors UK franchise in Wakefield, which opened in August.

Otley also said the business has a commitment to add three Nissan franchised retail sites, starting with the opening of a facility in Huddersfield to fill an open point vacated by Pentagon Motor Group in July 2018.

THE THREE-SITE RETAIL MODEL

The three-site model is central to Otley's plan to scale up Cars2 in the coming years.

"We want three dealership locations with each brand we represent, each run by a brand director that knows the intricacies of the way those brands do business, so that

WE WANT TO BE YORKSHIRE-BASED. I DON'T WANT TO BE TRAVELLING TO FIX A PROBLEM

ALLAN OTLEY, CARS2

they can work closely with them to help us achieve our goals," he said.

"At our Peugeot site, we may have been guilty of giving it the least management time. That was a contributing factor in us closing the site.

"When you have a board of directors, there is no way that they can understand all there is to know about each brand and the issues of running each of the dealerships on a day-to-day basis."

Otley believes having a team take ownership of each brand will help the group to maintain focus.

His desire to maintain ultimate oversight himself has also led to tight geographical reins being applied to the business's growth plans.

"We want to be Yorkshire-based," he said. "I don't want to be travelling to fix a problem.

"As it is, I can tell you how many walk-ins we have at each site, how many vehicle drop-offs, what margins we are achieving, by the hour or by the minute. But I want to be on hand to go into a site in person if I feel something isn't right."

So far in 2019, however, something is going very right indeed for Cars2's new franchise, MG Motors UK. To the end of October, the brand's UK registrations are up 36.2% year-to-date, to 10,187 (YTD 2018: 7,478). Cars2 joined the franchise through a minimal

investment of about £40,000 in an existing retail site.

At Seat – a brand with which Cars2 achieved 188% of its volume target in Barnsley and 173% in Wakefield in 2017, followed by 177% and 162% respectively in 2018 – UK year-to-date registrations have risen 9% to 59,639 (YTD 2018: 54,706).

Renault's UK registrations were down 5.4% year-on-year for the same period, to 50,928 (YTD 2018: 53,849), but its junior sibling Dacia was up 32.9%, to 26,631 (YTD 2018: 20,042).

"In our first month with Dacia, we have sold 20 cars," said Otley. "It's a promising brand for us, although the margins are small."

Hyundai, however, looks like it will continue the decline it started in 2018, when it ended nine consecutive years of growth. Its volumes were down 8.5% year-on-year, at 74,207 YTD (YTD 2018: 81,095). Cars2 has felt the squeeze, failing to achieve its Hyundai volume target in two of its three locations in 2018.

Although incoming brands Fiat and Abarth also buck the growth trend – respectively down 15.1% (to 26,452) and 35.4% (to 3,128) in the UK YTD – and Nissan has fallen 11.4% to 81,224, Otley believes the brands have shown him enough to indicate that profitability lies in their future product plans.

Among Cars2's franchise partners is an abundance of alternative fuel vehicle (AFV) options for customers in the group's South and West Yorkshire market territory.

"We love EVs," said Otley. "They are simple and straightforward, and we have a 'genius' in every dealership to speak to customers about the new technology."

Otley is less enamoured by many manufacturers' enthusiasm for customer charge points at dealerships and feels that hydrogen fuel cell technology will prove to be the ultimate powertrain sweet spot.

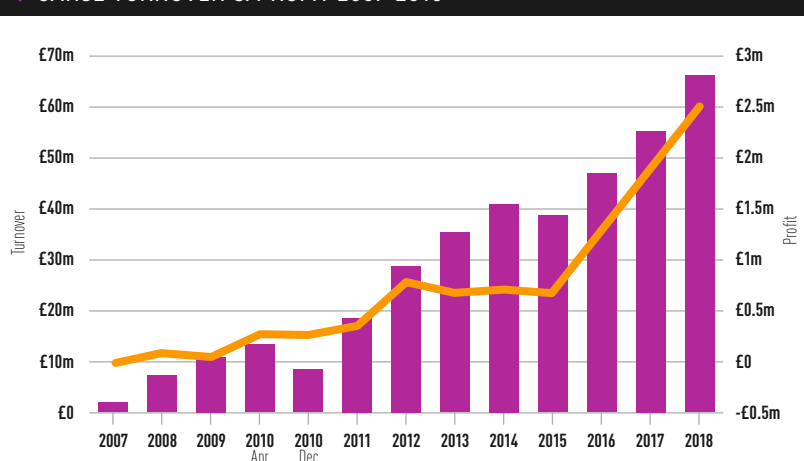
He said: "There is a train of thought from some manufacturers that forecourts should be lined with charge points, but that's not something I think we should rush into. We don't fill customers' cars with petrol, after all... We're not an 'open garage'."

'WE DON'T WANT PEOPLE THAT HAVE SOLD CARS BEFORE'

Cars2's growth plans prompted it to create a glossy company prospectus to take to prospective manufacturer partners.

The document details the group's current management structure, with Otley heading a board of directors that includes Jeremy Bates, group business development director; Neil Crossley, group operations director; and Lindsay Collier, group finance director.

❖ CARS2 TURNOVER & PROFIT 2007-2018



Cars2 achieved 177% of its Seat
volume target in Barnsley and
162% in Wakefield in 2018



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◀ Bates has worked in the franchised car retail trade for 29 years, while Crossley has previous experience with CD Bramall, Dixon Group, Vertu Motors and Marshall Motor Group.

Collier has been with the group since the start, racking up 18 years' motor trade experience, with the past decade spent at Cars2.

Otley said the group's policy is to recruit from outside the sector in sales executive roles. Despite claiming that the group pays "the highest basic in Yorkshire", he is not keen on competing for the attention of salespeople who flit from one job to another.

Otley said: "We have a recruitment push for Pure Cars now and we will have 60 people coming in. The experience we will be looking for will be customer services industry or some sort of sales background, but absolutely not automotive.

"We don't want people that have sold cars before. The best salesman that we have in the group was a carer before he came to us and I'm happy to sing his praises because I recruited him."

Cars2 is keen to retain the staff it recruits from outside the sector and Otley said a mentor is assigned at the point of recruitment, with managerial intervention and support offered if any difficulties are encountered with new job roles.

"It's still an aspirational sector that we work in," said Otley. "People often like the look of the sector and want to work with cars, but there also has to be the realisation that it involves five-and-a-half-day weeks, and that doesn't suit everyone."

Otley said the business aims to promote from within and his three sons, all directors, oversee different parts of the business.

GENERATING ENGAGEMENT

The group has its own HR, recruitment and training teams and advertises its job roles almost entirely online. Otley said £350 buys all the job advertising exposure that the group requires.

A similar focus on digital channels for car sales has helped the group to slash its marketing budget.

"In 2015, our marketing bill was £400,000 and now it's £50,000 to £60,000," said Otley.

"Newspaper advertising, in particular, looks so expensive now. That used to be the way to reach your local audience, but now we do next to nothing in print."

Like many retailers, Cars2 has turned to Facebook, embracing its ability to target potential customers.

But there is also an emphasis on



PURE-LY PREMIUM

Away from the demands of a franchised partner and an associated high-cost corporate identity, Otley has hit the ground running with a still relatively new premium used car retail arm, named Pure Cars.

Despite only opening in February 2018, Otley said the business, on Westgate, Wakefield, made money in its first year.

"It was a learning curve," he conceded. "When we set out, we were thinking a little too 'middle of the road' when, in actual fact, we've ended up finding big margins in rarer, more niche vehicles."

"What we've ended up trading in is a range of stock, but plenty of things like McLarens, R8s and that kind of thing."

A quick look at the Pure Cars website

– designed by Cars2's in-house IT team, but with a very different feel to the franchised retail business – shows a range of vehicles ranging from about £14,000 to £65,000, including Bentleys, Lotus, Range Rovers and Teslas.

The success and potential of the Pure Cars brand has prompted Otley to quickly draw up expansion plans.

In August, it submitted plans to build a showroom on a former car and lorry park beside its current base.

Development of the site would provide more than 40 extra display spaces, according to the plan filed with Wakefield council, plus a 300-square-metre showroom, and electric vehicle (EV) charging bays.

engaging directly with the community through product placement events at shopping and garden centres. It also supports worthy local causes, which keeps it in the public eye.

Cars2 sponsors Wakefield's Theatre Royal, the town's annual Christmas lights switch-on and recently donated funds to Wakefield Hospice. It donates £10 from each of its car sales to

charitable causes in the region.

For Otley, the benefits are clear. He said: "It all feeds into our focus on a small geographical market area. It's great to be known for doing good things for the community, it helps us build the profile of the business, while delivering benefits that customers can see and experience. That kind of goodwill you can't put a price on."



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MINUTES WITH...

Neil Gilligan, national business
development manager, Indicata



Indicata seems to have grown very quickly since its launch. How big is the customer base you now serve?

Indicata is live in 13 European countries. We launched in September 2017 with a series of pilot schemes that sought feedback on exactly what retailers were looking for. We had already been analysing data for two years prior to that. At the end of the process, we looked at the data and matched what we had found to a series of KPIs. We were able to deliver that data via a series of dealer dashboards, which could be tailored to an individual business's requirements. Two years on, and the system is being used in more than 2,500 sites of various sizes – one could be a manufacturer, such as Seat or Škoda, and another could be a small independent retailer.

I understand that you have been able to achieve a degree of success through manufacturer partnerships, as well as with car retail operations?

We've sold this system into various manufacturers. Seat operates it, as does Škoda and Nissan. We've also just signed up with Porsche. It has become part of the efforts of these manufacturers to try to improve used car sales performance within their networks. Our manufacturer partners get the full market picture. You could have a retailer in the north west who is trying to retail 150 vehicles, but 50 of those might be non-franchise that aren't performing well. The Indicata system gives the manufacturer the opportunity to say 'why not invest in more of our used stock?'. Leasing companies and fleet companies can also use Indicata. If they

“ WE ANALYSE EIGHT MILLION USED VEHICLES ACROSS EUROPE EVERY YEAR... THE SYSTEM IS ALMOST WORKING AS ANOTHER EMPLOYEE FOR THE BUSINESS, CONSTANTLY ANALYSING THE MARKET

NEIL GILLIGAN, INDICATA

have certain vehicles 'on risk', they have the ability to see there is currently a shortage of, say, Audi A1s on the market and take the decision to get those remarketed early to achieve a better price.

Is there a difference between what Indicata provides to its UK customers and those based on the continent?

No, not at all. Our holding company's headquarters is in Denmark and our UK base is in Macclesfield, but, essentially, the product is the same. Overseas, we have different clients to those in the UK. We also work with Volvo in 13 countries and Kia in 10 countries and they both get this full market view. It could be argued that the system is more effective to manufacturers on the continent. There, they have the ability to put used cars into the market in certain geographic regions where they can see there is a clear market for them without worrying

out the left- or right- hand drive issue that would arise from shifting stock to different markets outside the UK.

What sort of data sample is fed into the market insight element of the Indicata platform?

We analyse eight million used vehicles across Europe every year. They may be offered for sale by a business, drawn from online classifieds or subject to remarketing by a manufacturer, but that's eight million vehicles that we are able to offer insight on. Our systems look at used vehicles advertised across various platforms. Regardless of where that data is, the system pulls in the vehicles' age profile, make, model and trim and completes all that information before dragging it into a kind of data 'washing machine'. The next day, we are able to go back and accurately view what might have changed. The insight gained might be that where there were three photos on the advert for the car, there are now 25. There is also likely to be a price change on certain vehicles. The system is almost working as another employee for the business, constantly analysing the market.

How essential is the real-time stock and wider market view that the business is able to provide?

We know that smartphones have changed everything – everyone has become an expert. Customers have changed and their route to buying a vehicle now starts online. They may only visit the dealership to collect their car or get a part-exchange valuation. Indicata feeds into that new retail environment by providing information that relates to

what is happening in the market at a given moment in time. We have the ability to track the dealers' stock as soon as they advertise it and how it compares to other stock in the market. We are able to deliver an immediate insight into what similar stock there is advertised out there, its age and time on the market, its pricing and any pricing movements, and an insight into exactly how they have been advertised in terms of the images and descriptions used. We can also bring up a register of recently sold vehicles of a similar specification to give an idea of an anticipated time to turn. It's the kind of insight that should be central to a retailer's consideration of whether its pricing is on point or whether, for example, they should consider retailing that part-exchange they just took in.

Do you find most retailers use Indicata exclusively, or do they use it alongside other valuation and stocking and pricing insight tools and platforms?

Carbase was one of our very early sign-ups and their view from day one was the more market data they had, the better they would be able to buy and manage their stock. I think the success of the business bears that approach out. I think Indicata is a unique proposition and it's not always used as an add-on, I have seen it replace key competitors. Cazana, for example, is another valuations tool, but I think, from our perspective, that's more of a valuation appraisal tool rather than a system that offers inventory management in the way that Indicata does. Also, it's easy to forget that for larger clients, such as Carbase, we can provide used cars, a remarketing channel and the logistics to move stock around through our parent company, Autorola. Then Indicata is there to ensure that the business achieves the best return on investment it can. The two businesses can work hand in hand. Another key difference

“WE ARE NOT IN THE BUSINESS OF SELLING ADVERTISING AND WE ARE NOT TRYING TO PROMOTE A CERTAIN CAR BRAND OR MODEL. ALL WE ARE DOING IS SHOWING A WHOLE MARKET VIEW OF WHAT IS HAPPENING

NEIL GILLIGAN, INDICATA

between us and some of our competitors is that we are completely independent. We are not in the business of selling advertising or classified airspace and we are not trying to promote a certain car brand or model into the market. All we are doing is showing a whole market view of what is happening. There are other businesses providing market insight, but it tends to be related more closely to their management information.

How bespoke can you make the Indicata service?

Depending on the make-up of the business, we are able to configure certain screens, prioritise different KPIs. We can tailor the system to what is required or the stocking policy of a certain retail group. For example, we can factor in a £1,000 margin to make it clear what they should be buying a car for or when they should consider a disposal. We can also build APIs. If someone is wanting to do block valuations, we can do that. We can also plug into a dealer website in order to offer a part-exchange valuation tool.

By looking at the market as you do, what do you see as the key problems

with car retailers' online marketing of used cars?

A big area that so many car dealers seem to continuously overlook is the number of photos they place with each advert. Everyone now knows that if you have not got thumbnails and photos, then customers will just move on to the next advert. There is so much competition out there that it just seems like such an obvious point to emphasise. You are throwing away your marketing money if you don't have those images in place. All a customer sees is an advert without images and assumes the worst – probably that it's in the prep shop having been in an accident or something. It's all about building transparency and confidence for the customer. Dealers are now reaching a point where they may put service documents, or MOT history if the vehicle is over three years old, online as part of their advert. It all helps the consumer make that decision. Another thing we see is people being too greedy in the first few days that they have a vehicle on sale. Car sales result when retailers follow the market. A £50 or £100 price difference is the difference between engaging a customer and making the sale or allowing them to walk away.

The market must be looking quite good for businesses, such as Indicata, that can support dealers' used car sales amid falling sales of new product?

It is a busy time, that's for sure, but we're quite content with the number of clients we are currently serving. I think most dealers have had to switch their focus towards used cars in recent months. The realisation has been that you really need to be as close as you can be to the market in order to achieve a viable margin. You need to be on the ball – with all the market insight you can possibly view – or you run the risk of catching a serious cold.

TOM SHARPE

FACT FILE

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DENMARK, UK HQ
IN MACCLESFIELD

EMPLOYEES: 38

**PARTNER
BUSINESSES:**

USED IN
2,500 SITES

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VOLVO

Its sales defy the UK downturn, dealer morale is up and new EV models are on the way, but Volvo is not resting on its laurels, says MD Kristian Elvefors

Volvo's defiance of the declining overall UK new car market looks likely to continue and its new managing director needs to ensure its retail network is ready to adapt to emerging trends.

That means initiatives such as flexible subscriptions, strengthening relationships with corporate customers, offering maximum convenience in aftersales and embracing electric vehicle (EV) sales.

Volvo Sweden managing director Kristian Elvefors swapped roles with UK managing director Jon Wakeman in June this year and his early assessment of the UK business is that there are challenges to overcome, but the network is generally in a good place.

The network's average return-on-sales figure is currently about 1.5% and rising, said Elvefors. Dealer morale is pretty good – Volvo rose from 18th to 11th in the latest NFDA Dealer Attitude Survey. About half of the UK's Volvo dealerships will have the Volvo Retail Experience (VRE) showroom style in place by the end of this year. And new Volvo registrations in 2019 were 14% up year-on-year by the end of October (to 48,069), inching the brand towards its goal of achieving 60,000 annual sales in 2020.

Upsetting the apple cart is not Elvefors' style. He wants long-term emphasis on strong business residuals.

"It's easy to fly in here, sh*t out some volumes for two years and fly out again, leaving someone else to take care of the residual values. But that's not the way you should work," he said.

"You need to protect used cars and build the value chain. That's important to us." He



described it as climbing a series of "ladders" – the brand should increase new car volumes, secure used cars, consolidate, find more technician capacity for aftersales, then increase new car volumes and repeat.

He said it's easy to push sales volumes, but just as easy to destroy a brand. His expectation is that Volvo, currently the fastest-growing premium brand in the UK, will finish ahead of its 2018 result of 50,319 registrations. But not at any cost.

With Volvo's new-generation cars now all in place – "We have one of the most modern car lines available in the market," said Elvefors – some industry observers believe real pressure is now on the brand to sustain that momentum and keep its dealers busy.

Challenged on this, Elvefors said the addition of PHEV and BEV (battery electric vehicle) models, now branded as 'Recharge' derivatives, and a new infotainment system adopted by XC40 and Polestar2 with intelligent voice controls, will bring more opportunities for growth. Although it now has stylish, desirable, "sexy and safe" cars selling strongly, he knows it would be foolish to relax.

It has also made Volvo On-Call, its connectivity service, standard across the range. This is a way of getting consumers prepared for

services to come, he said. It starts with better integration of the car with the smartphone, but is heading towards a keyless future where drivers will do more through their mobile phone. Polestar 2 demonstrated this already, using the phone as the authentication device. Once detected, it unlocks the doors automatically.

The technology will allow Volvo and its dealers to provide a more frictionless experience by providing integrated offers, he said, and seamless mirroring of what the driver has been doing on their smartphone, such as showing searched-for locations, media apps, and use of Google Voice Assistant.

It will help to overcome the distinctly separate manufacturer and dealer experiences of today, to give a blended outcome.

Elvefors believes vehicle financing still shows growth potential: "We could benefit from more fleet volumes. And subscription – we have the full Care By Volvo product now in Germany and Holland – will still grow, and I believe it will take off in the UK too in the coming months."

Care By Volvo in the UK is currently a PCH product in essence, which ties consumers to a fixed period and includes all regular maintenance costs and insurance, managed by

KEY PRODUCTS



XC90

The luxurious flagship SUV that started the brand's current success. With 4x4 drivetrain, and a choice of T8 PHEV or diesel, it has stolen business away from BMW and Audi.



XC40

The smallest SUV in Volvo's range has been a runaway success. With more than 13,000 registrations YTD, of which 7,029 were private, it accounts for a third of Volvo's private sales.



Half of Volvo's UK network has adopted its Swedish style VRE corporate identity

Volvo retailers. He said the UK's scheme will evolve into the full product, with a flexible cancellation structure, most likely in 2020.

"For us, it is really important to keep the retailers. I think what we have now, with the 100 sites we have today, is fairly in line with what our retail strategy is, and in line with introducing new subscription models. Because to sell around 60,000 new cars and quite a big amount of used cars, you need a well-developed retail system."

Volvo is currently enjoying sales momentum in the UK that the brand has not had for years. Annual sales of new and used cars are close to 100,000 units, and Elvefors credits the dealers, and Volvo UK sales director Matt Galvin, with focusing as much on increasing used car business as the new.

"It's an important way of working," said Elvefors. "For many, it's hard to find people who strive for used cars as much as they do for new."

He said key drivers of the success include the 12 months' warranty, roadside assistance, MOT cover and a 30-day exchange guarantee if the customer is not satisfied with their purchase. Yet the biggest thing that has helped is Volvo's partnership with its finance and leasing partner, Santander. Together,



IT'S HARD TO FIND PEOPLE WHO STRIVE FOR USED CARS AS MUCH AS THEY DO FOR NEW
KRISTIAN ELVEFORS, VOLVO CARS UK

they ensure remarketing of demonstrators, management cars and leased and rental units is driven towards the retail network. Volvo offers dealers some variable margin linked to used car volume targets it sets.

Elvefors said used car profit is crucial for his dealers. He believes those that manage their stock well, employ a used car manager, and market specifically around used cars, can earn good money.

Profitability is essential in the current climate, because Volvo wants the half of the network that is yet to adopt VRE to redevelop into the Swedish-style showroom by the end of 2020. Extra standards margin is an enticement. Elvefors expects 80-85% of sites to be there by then, but concedes there are some retailers tied into leased properties where they cannot make major changes. These "will be looked at," he said. "But where possible, redevelopment must happen."

VRE, which AM has reported on since 2014, is aimed at creating a 'street' displaying the cars and a 'lounge' with comfortable Swedish-style furniture and refreshments, plus a glass wall that allows customers to see the technicians working on their cars. The styling is seen to be a strong

differentiator between Volvo and its German premium rivals.

That glass wall between the showroom and workshop is part of Volvo's desire to reconnect customers with the experts maintaining their car. More than half of Elvefors's dealers now have Volvo Personal Service multi-skilled teams, where two technicians work together on the same job to get services completed in less than half an hour. Customers can consult service advisers and the technicians themselves.

Elvefors said VPS is still "in a growing phase, not a mature phase" and Volvo is still learning from it. To get the most from it, the dealers need to move away from the old booking practices and to encourage more customers to wait rather than take loan cars.

"If you get a stated appointment, then it's feasible to come in, bring your laptop to do some work, have a coffee and you can be out within half an hour. If you're still queuing jobs, saying you should leave your car at 7am and pick it up at 5pm, then even if you do a service in half an hour, it doesn't make sense."

He believes working on a scheduled basis will get higher customer satisfaction.

"It is crucial to get it fully implemented. And if customers want



XC60

It was the best seller before XC40 was born, and still has strong demand. It echoes the luxury found in the XC90, but in a more compact, slightly cheaper package.



S60/V60

A company car and grey fleet favourite, whether as the saloon S60 or estate V60. Of its 5,394 sales 3,776 (70%) were in the fleet market. Contract hire deals start at £299 per month.

pick-up and delivery service, we should be able to offer that as well."

The growth of EVs in the years ahead makes it important for manufacturers to find new revenue streams for the retailers, he said. As oil changes reduce, software updates are done over-the-air, and PDI processes are simplified, Elvefors said dealerships need to bring many of the things that are currently outsourced, such as glass, SMART repairs, air-conditioning, tyre replacement and alloy wheel repairs, back in-house if dealerships are to survive.

Looking further ahead, if staffing shortages continue, he predicts that robots may support technicians to do some of the routine tasks at the dealership. Asked if this was feasible, Elvefors said: "No one has tested it, but if they can build cars why can't they service them? Let's see."

Volvo's existing support for the network includes lead management and marketing, and Elvefors wants to step up the help on fleet sales. The long partnership with Santander has built "quite a healthy PCH and private consumer side" and he wants more business from the fleet market.

Those PHEV and BEV cars will help to tempt company car users from next year if the proposed changes to benefit-in-kind (BIK) tax rates come into effect, with a 0% rate for pure electric cars.

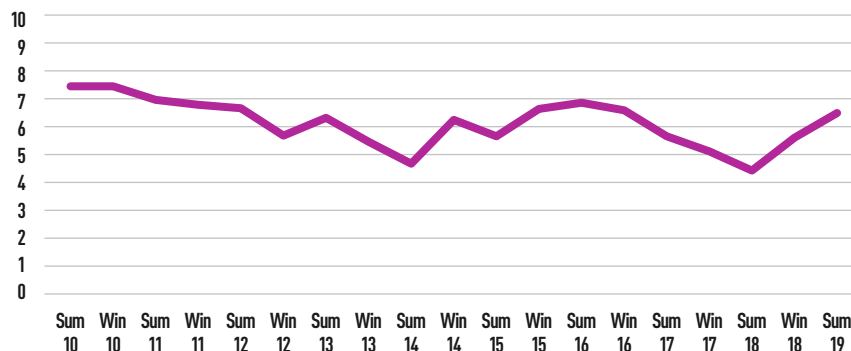
Volvo has stated that it will develop its diesel engines for only a further couple of years, to meet emission requirements, and will not invest in a new generation of diesel. That suggests that diesel will have disappeared from Volvo's range by 2030. Its focus is on electrification, with hybrids and pure electric models – by 2025, it said it wants 50% of its global sales volume to be fully electric cars.

Since VRE was announced, there have been multiple acquisitions within the Volvo UK network, allowing partners to build market areas. TMS Motor Group bought Volvo Leicester from Sturgess Motor Group last month, to expand its footprint from Coventry and Hinckley. Endeavour Automotive now has nine sites after buying three from HSF in February. John O'Hanlon's start-up, Waylands Automotive, bought four within two years from Johnsons, Fawcetts and Jardine Motors.

Elvefors expects consolidation of ownership to continue. There are 48 investors in the network at present. He said there certainly shouldn't be more, and ideally there should be slightly fewer so that investors have scale of representation and get some cost benefits. Elvefors said he will not block entrepreneurs from running the franchise if they are doing well, with a couple of caveats: "You must be profitable and must be able to fulfil the targets. If you don't, then we'll need to consider doing something. And you must have the ability to invest (in VRE), which means earning the money to do so".

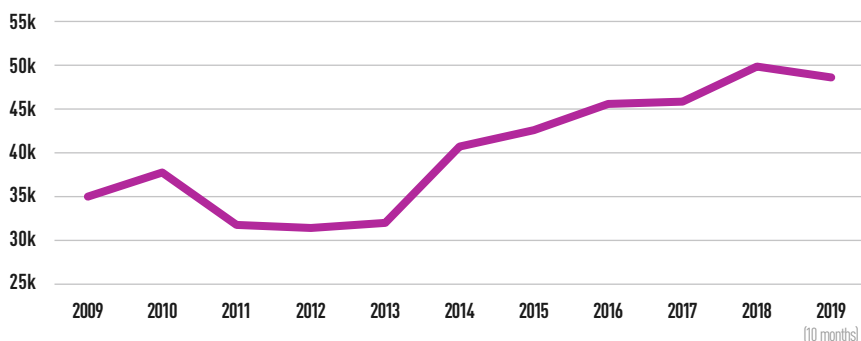
Asked what is in the pipeline for Volvo dealers, he said its sister brand Polestar has already agreed that Volvo franchisees will get its servicing work, and some franchisees

DEALERS' RATING OUT OF 10 (SOURCE: NFDA DEALER ATTITUDE SURVEY)



Volvo's dealers have largely been satisfied with the brand, despite the dip of 2014 when network consolidation and the new VRE corporate identity was announced. The line shows the impact key new models have on dealer morale, such as the arrival of hybrids since 2018 and imminent pure electric cars.

VOLVO NEW CAR REGISTRATIONS (SOURCE: SMMT)



Annual registrations have grown since the new XC90 in 2017 and XC40 in 2018, and it aims to reach 60,000 sales in 2020.



have applied to be Polestar agents. Endeavour Automotive has been announced as the first, operating a Polestar Space in London from next year.

Investors may also benefit from other Geely-owned brands, such as LEVC, which aims to launch a range-extended electric van in 2020. LEVC has used the Volvo networks in some European countries to expand its footprint.

Six months on from launching Volvo Online, a new car e-commerce portal supporting franchisees, Elvefors described it as still in the pilot phase. He said the processes for online retailing are too complex at present

for many consumers, and must be simplified. Often brands are too "engineer-driven" when explaining equipment on cars, and consumers who buy are using just a fraction of its full functionality as a result.

He believes the industry needs to consider how the consumer will really use technology, and help them better. In Sweden, a month after delivery, Volvo's customers are invited back to have cake and coffee at the dealership and ask any questions. He said it's a practice he would like UK dealers to try.

For online retailing to succeed, he believes the industry will move to "a more integrated, fixed-price model" and away from negotiated deals. But that will take time. Doing so puts more pressure on the retail network to provide a great customer service, he said, and to add more services into the network so they can secure revenue.

Will it be agency contracts? He is sure more and more agency models will be adopted. That's not a negative for dealers, he said, because it fosters customer confidence and on a full agent contract the dealer holds no stock risk. "But as an agent you need more intelligence, more data, more AI to understand the local marketplaces, to operate effectively."



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Welcome to AM Best UK Dealerships to Work For 2019, a chance for us to honour and celebrate the best employers in the motor retail sector. Fifteen dealerships made the grade in our third year of the programme, out of the 25 or so who participated this time. That was an increase of four from last year.

Employee engagement is an essential ingredient for a successful business. No company, large or small, can win over the long run without a

workforce that is motivated and well led, and which understands and believes in the company's mission.

The next seven pages are a celebration of employers in the motor retail industry who have proven that they know what it takes to create an environment where people feel rewarded, motivated and love to come to work.

The goal of the programme is to encourage motor retail employers to engage their workforces, harness their talents and ambitions, to be a great workplace where people want to stay and outsiders want to join.

Andrew O'Kelly, European partnership development director for AM's partner, Best Companies Group, said: "It is not an easy task to make this list, so those being honoured here should be extremely proud of their organisations and, most importantly, their staff."

"Being named one of the best places to work in this industry just gave these companies' employer brands a huge boost. What they had to do to get there is not easy and their accomplishment is most certainly significant."



WHAT MAKES THIS YEAR'S WINNERS THE BEST?

Where the *AM* Best UK Dealerships to Work For excelled and where they may need to do more

Workers in the UK's motor retail industry highly value respect, enjoyment, rewards and the chance to

develop their career, according to the results of the 2019 *AM* Best UK Dealerships To Work For surveys.

Of the staff at our 15 best dealerships this year, 95% said they were proud to work there. And 89% said they looked forward to going to work most days.

Three out of four employees (76%) surveyed said the entire pay and benefits package their employers provided was satisfactory. The dissatisfactory aspects that brought

this average down were related to life insurance benefits, dental care and disability benefits, which were not even optional at some employers.

Covering staff for death-in-service was another benefit rated as important by employees, yet just under half of the dealerships involved in our programme provided it as part of their standard employee benefits, the employer survey found.

Employees at the best dealerships felt supported, respected, recognised for their good work, and had strong connections with their supervisors, who were open to hearing their own opinions or feedback. Questions for employees related to their

relationship with their supervisor achieved an average 92% positive response across all dealerships.

The power and strength in having a climate of cooperation between teams and departments cannot be underestimated. At best dealerships, 97% of employees said they liked the people they worked with, 92% believed there was a spirit of cooperation in their organisation, and 90% said staff were allowed to have fun while they work.

Building a well bonded, committed team that is allowed to play as well as work delivers real benefits to the dealership – the employee survey found 96% of the total workforce said

they were willing to give extra effort to help the business succeed.

Training, development and resources were areas where employees felt their employer had a little room to improve. Here, only 77% believed that if they did good work they would be considered for a promotion, and 20% believed there was no room for them to advance at their dealership. Yet 90% believed their dealership provided as much ongoing training as they needed, and 88% understood what was expected for their career advancement.

Best dealerships are generally well equipped and resourced – 93% of employees said their employer pro-

SPONSOR'S COMMENT



By Paul Taylor,
managing director,
Car Benefit Solutions



Car Benefit Solutions

CONGRATULATIONS

Car Benefit Solutions were delighted to present the 'Best Dealerships to Work For' awards at this year's Automotive Management Live, recognising those dealerships across the industry championing employee rewards and engagement.

As we are the leading provider of Employee Car Ownership Schemes to franchised dealerships across the UK, these awards are perfectly aligned with our ethos of enhancing staff engagement and putting motivated people at the forefront to better serve the customer, whilst improving attrition levels in key skill sets.

The winners of the awards met rigorous standards to be shortlisted and the results bear testament to the calibre of the employee initiatives entered. We would like to congratulate all of this year's winners – Chorley Nissan, Devonshire Motors, Drayton Motors, JCB Group, Johnsons Mazda, Luscombe Motors, Monaghan Brothers, Premier Ford, and Roadside Garages – and would encourage those driving employee engagement in the automotive industry to keep setting new standards and reaping the rewards.

Well done again to the winners on the day, and thank you to all those who came to speak to CBS at our stand at AM Live, it was both an informative and successful event.

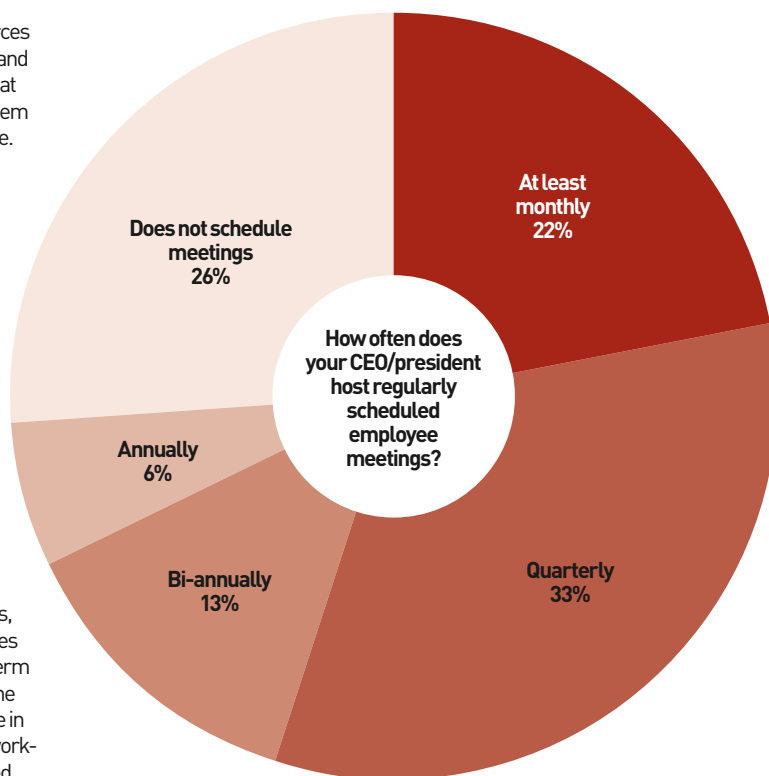
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vided the technology and resources they needed to do their job well, and 92% said any technical issues that arose were communicated to them quickly and resolved in good time.

The results showed engaged workers can help a dealership as it expands, as 92% of best dealership employees would recommend working there to a friend, and 96% would recommend it to a friend looking for a car or service.

Background noise can plague many modern workplaces, but only 11% of staff at best dealerships found that inadequate privacy or noise control stopped them from focusing on their work.

Leadership and planning are strengths of the best dealerships, too. Some 93% of their employees said they understood the long-term strategy of the dealership, and the same proportion had confidence in their leadership. Some 91% of workers believed senior leaders cared about employees' well being and 94% felt the leaders lived the core values of the business.



Quarterly updates are still favoured by most business leaders at best dealerships. Few great leaders only meet with employees annually

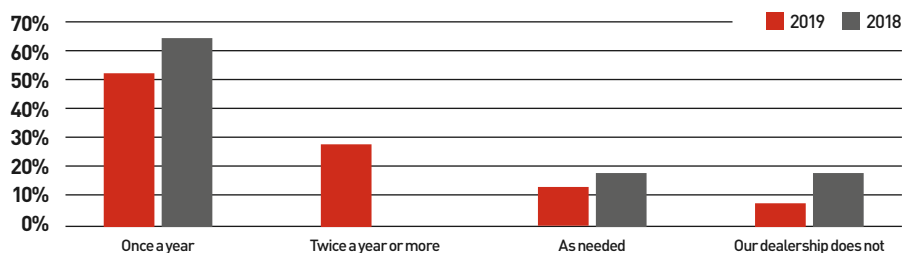
ABOUT AM BEST UK DEALERSHIPS TO WORK FOR

- The survey is open to all UK dealerships with more than 15 full-time employees and a new car sales franchise. Dealers enter as single dealerships, not groups. It is free to all participants. Follow-up reports, offered at a fee by Best Companies Group, are not mandatory.
- Its two-part assessment process, managed by Best Companies Group, includes an employer survey, constituting 25% of the overall score, plus an anonymous employee engagement survey, accounting for 75%.
- BCG's analysis of the results determines those dealerships that qualify as an **AM Best UK Dealership to Work For**, and their plaques are presented at Automotive Management Live each November.

THE 2019 AM BEST UK DEALERSHIPS TO WORK FOR

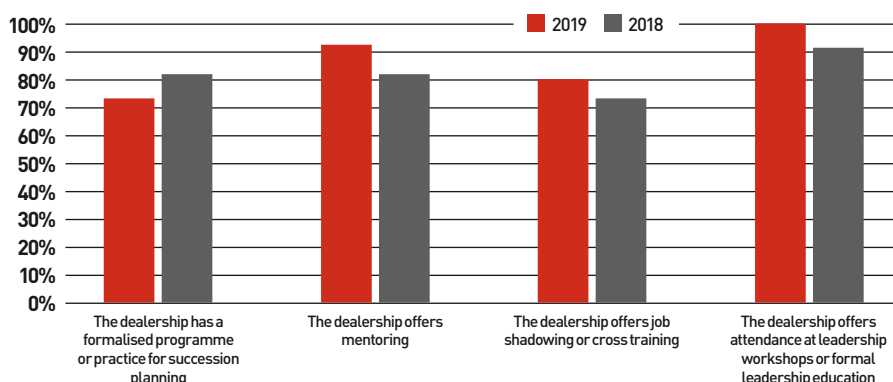
1	Devonshire Motors
2	Monaghan Bros
3	Chorley Nissan Preston
4	Drayton Motors Boston
5	Chorley Nissan Burnley
6	Johnsons Mazda Gloucester
7	Drayton Motors Louth
8	Roadside (Garages)
9	JCB Kia Rainham
10	Eurovans Eastbourne
11	JCB Medway
12	Premier Ford
13	Chorley Nissan
14	Chorley Group Blackpool
15	Luscombe Motors

HOW OFTEN DOES YOUR DEALERSHIP REGULARLY CONDUCT A FORMAL SURVEY OF ITS EMPLOYEE POPULATION?



Four out of five best dealerships survey their staff at least once per year

DEVELOPING LEADERS: PROPORTION OF BEST DEALERSHIPS



The UK's best dealerships are making leadership succession planning a standard practice in their businesses



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GOING 'BEYOND THE DEALERSHIP AND INTO FAMILY LIFE'

Keeping the family-run ethos pays off for Chorley Group in sales and customer service

- Chorley Nissan in Burnley
- Chorley Nissan in Preston
- Chorley Nissan in Chorley
- Chorley Group Blackpool

Chorley Group continues to earn its place as one of the most progressive and rewarding employers in the UK's franchised dealer networks. This year, four of its sites achieved Best Dealerships To Work For status.

The three in last year's list make a reappearance: Chorley Nissan in Burnley; Chorley Nissan in Preston; and Chorley Nissan in Chorley. Joining them is its multi-franchised site Chorley Group Blackpool, home to Nissan, Hyundai and Kia franchises.

It's a business "where work and camaraderie combine to create a team that goes beyond the dealership and into family life", said chairman Andrew Turner. Benefits and development opportunities are available to everyone, and invitations for events include partners as well as employees – staff particularly love the Christmas parties and birthday cards plus the directors presenting branded babygrow 'overalls' to employees who are having a baby.

The onus is on rewarding and enhancing working life, building that family feel, and ensuring that staff feel happy and enabled to enjoy their work and serve their customers to the best standards. At Christmas, the chairman hosts Santa's Grotto inside Chorley's dealerships, and at Easter managing director Pauline Turner distributes eggs. Charity dress-up days and inter-



Gillian Howells, group HR adviser, Chorley Group, accepts her award

group football matches give staff a break from the norm. Quarterly 'team council' meetings give everyone the chance to have their say and hear from the directors about developments in the business.

Employees work five-day weeks, and the company benefits available to them include childcare vouchers, loans for bicycles, discounts at other retailers and

cover for death in service. They can also opt into a private medical insurance scheme and critical illness insurance.

To promote a healthy work/life balance, Chorley Nissan keeps overtime to a minimum and mandates that all meetings or staff-only events take place during work hours only. It offers productivity and time management workshops, and offers an employee assistance programme that can provide counselling for marital, parental or financial problems and support for health conditions.

All employees have performance reviews at least twice annually. To encourage career progression

within the group, it encourages mentoring and job shadowing, and it operates a future leaders programme, to train people in leadership and ensure the business has talented managers ready to succeed any departing staff.

Chorley's dealerships have become places where staff refer friends and family for jobs, and Turner wants to keep the ethos of being Lancashire's top family business.

From its humble beginnings, the business has become recognised as one of the foremost employers in the country for the motor industry, and it is a high achiever in sales and customer service.

“THE ONUS IS ON... ENSURING THAT STAFF FEEL HAPPY AND ENABLED TO ENJOY THEIR WORK AND SERVE THEIR CUSTOMERS TO THE BEST STANDARDS”

'WE WANT TO HONOUR OUR STAFF WITH ACTION'

JCB Group encourages and acts on continuous feedback to improve life for its workers

■ JCB Kia Rainham
■ JCB Medway
■ Eurovans Eastbourne

Success for JCB Group in Kent has come in threes in 2019, with its first trophies as Best Dealerships To Work For.

Its Medway Volkswagen dealership, Rainham Kia site and Eastbourne VW Commercial Vehicles outlet all excelled this year.

Standard benefits include childcare vouchers, discounted gym membership, retail vouchers, annual eye tests and access to a legal and financial helpline and counselling, plus free fruit and healthy snacks are provided. There are occasional freebies for employees, such as free tickets to concerts or sporting events and borrowing cars or vans for house moves or special occasions, and the company discounts its workshop labour and parts prices for workers' own cars. Employees can also opt into other benefits, such as private healthcare and a car allowance. JCB also matches workers' pension contributions.

Activities to relieve workday stress include 'The Great Annual JCB Bake-off' where staff vote for their favourite 'show-stopper' cakes and then tuck in once the winner has received a prize. It's not all indulgence, however – one of its sales executives is a qualified personal trainer and offers 'Bod's Bootcamp' to get staff active, and some sites hold after-hours yoga and fitness classes.

The company's wellbeing



David Willoughby, franchise manager, JCB Medway, accepts his award

programme encourages a 'let's talk' culture of openness, to tackle stigma around subjects such as mental health, the menopause and prostate cancer and to help staff understand such conditions and access support where required.

As well as performance bonuses, the company rewards staff for money-saving ideas and referrals of new employees, and senior leaders can issue 'wild cards', which invite an employee to join the annual expenses-paid managers' incentive trip. It takes employee wellness seriously, as it does career progression – formal workplace

surveys provide a temperature check of morale and satisfaction within the business, all staff have performance reviews twice a year, and formal ways to develop their career include mentoring and attending leadership workshops.

Managing director Jonathan Bischoff said: "We want to honour our staff with action. It's incredibly important to us to have a culture of continuous improvement and engagement. We are prepared to take risks; to dare to do things that our competitors don't when it comes to our staff."

He describes the culture across the group as 'listen and act' – an environment of continuous feedback so that the business can improve life for its people.

High performance in line with JCB Group's values is rewarded regularly by the JCB All Stars recognition scheme, and through the JCB PoP (platform of praise) system on its employee hub, through which peers

can send colleagues thank-you e-cards and messages of appreciation.

"We're always looking at new and innovative ways to do the very best by our people," said Bischoff. "It's not enough to say they are our greatest asset – that goes without saying, but what makes it mean something is honouring them with action – listening to their feedback and acting upon it."

"We're an honest and transparent company, so when we can't act upon something then we will explain why to encourage continuous feedback."

"In addition to this, we don't benchmark ourselves against competitors in our industry. We pitch ourselves against the best in this country; the blue-chip organisations, which have an incredibly strong customer service and employee engagement ethos."

"That is what makes us the best – we do not tire of improving life for our people."

A WELLBEING PROGRAMME ENCOURAGES A CULTURE OF OPENNESS, TO TACKLE STIGMA AROUND SUBJECTS SUCH AS MENTAL HEALTH, THE MENOPAUSE AND PROSTATE CANCER



Darren Bradford, director,
Drayton Motors, accepts his award

IMPROVED WORKING CONDITIONS BENEFIT THE BOTTOM LINE

Nights out and charity work build team spirit that ensures 'the customer walks away happy'

■ Drayton Motors Boston ■ Drayton Motors Louth

Lincolnshire-based Drayton Motors had double success this year. Its Kia dealership in Boston was named a Best Dealership To Work For for the second consecutive year, and, for the first time, its sister site in Louth has earned the same accolade.

Director Darren Bradford is extremely proactive in giving recognition for workers' great efforts and their pride in providing an outstanding service. Drayton values every member of its team – Bradford ensures no one is left out – and empowers all employees to maximise their earning potential, make a difference and have a lot of fun in doing so.

"Staff are proud to work for an establishment where all work together to put the customers first," said Bradford.

The business continuously strives to improve working conditions for staff. It recently invested in the workshop and valet bay to help staff do their work more effectively, and the staff tearoom gives them comfort and amenities during their breaks.

Bradford hands out chocolate eggs and turkeys at Easter and Christmas, employees get a half-day off on their birthday, and throughout the year staff have access to a variety of

benefits, from retail vouchers and a car benefit scheme to a childcare voucher scheme, bicycle loans, health screening and access to financial and legal advice.

Members of the team also regularly socialise outside of work, de-stress on expenses-paid quarterly nights out, and are encouraged to get involved in charity fund-raising.

Bradford said: "We employ the majority of our staff from the local area, all of which is quite rural, where job opportunities can be slim. Each member of staff has a

good relationship with not only their direct line manager but also senior management, to ensure that they are given the very best opportunities for them and their career."

The company has introduced the Drayton Motors Awards ceremony to celebrate its best performers as well as those who have gone above and beyond for the company.

"Drayton Motors feels like one team, we're all proud to work for Drayton Motors. We share the TV advert and our Facebook Page to our friends, we all chat and socialise out of work together.

"There is limited friction between departments, which is rare for a car dealership.

"Everyone has the reputation of Drayton Motors as their first priority and making sure that the customer walks away happy – the rest we can sort out later," he said.

**“STAFF ARE PROUD TO WORK FOR AN
ESTABLISHMENT WHERE ALL WORK
TOGETHER TO PUT CUSTOMERS FIRST**
DARREN BRADFORD, DRAYTON MOTORS

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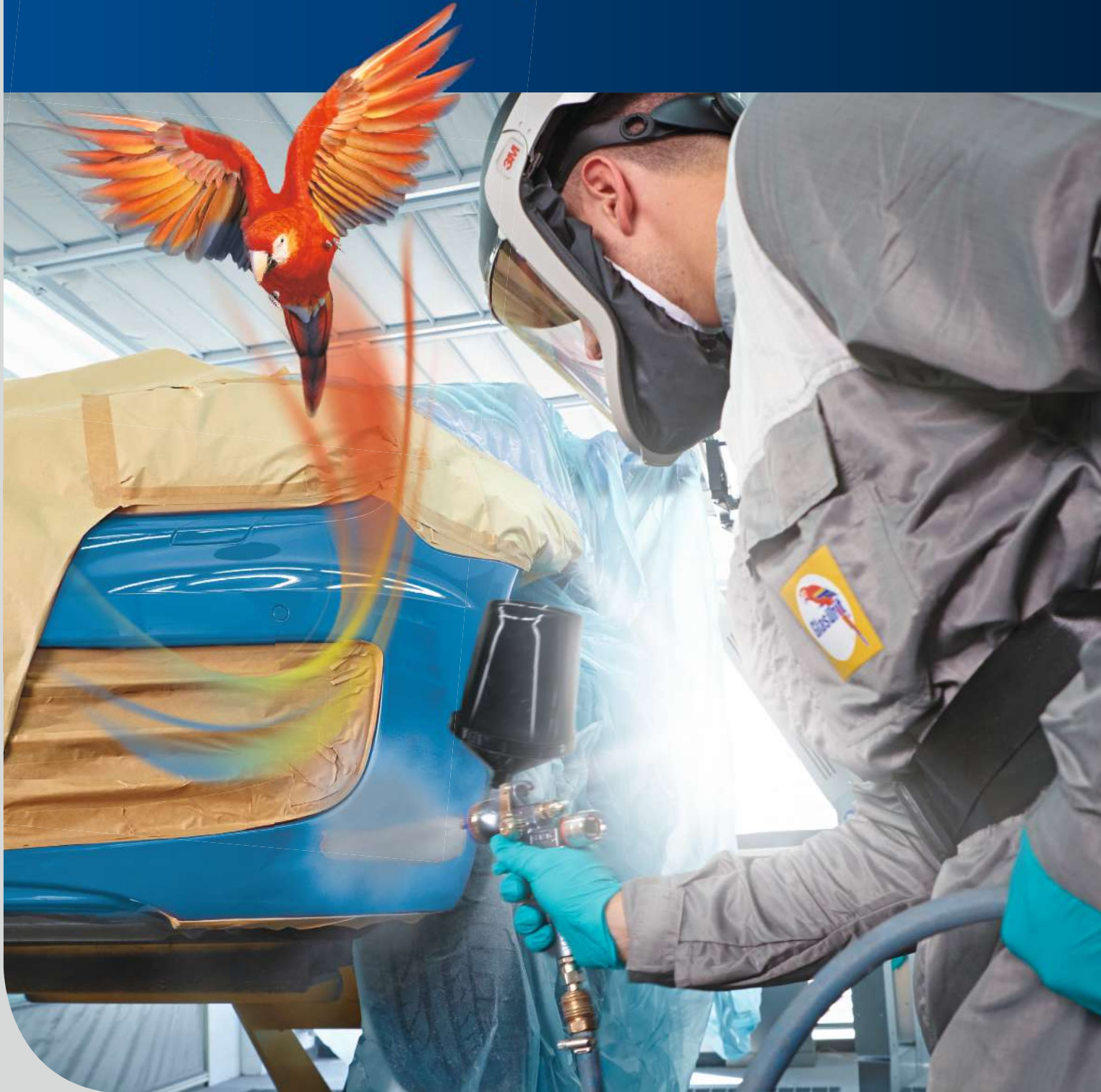


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DEVONSHIRE MOTORS

This Devon-based Mitsubishi dealership has employee engagement that surpasses all others, and consequently has ranked top of all the AM Best UK Dealerships To Work For in 2019. That it has done so in its first year of taking part is even more laudable.

Staff love the 'work as a family' ethos at Devonshire Motors, under the strong and respected leadership of managing director Nathan Tomlinson. He encourages them to maximise their business opportunities and to work as a team, and is liberal with praise and recognition, including bonus incentives, for great work. Examples of activities to relieve workday stress include team nights out, lunches delivered to the dealership and fun activities in the showroom.

Staff retention is extremely high. Benefits and perks include an optional car allowance, free refreshments, childcare vouchers, matched pension contributions and paid time off for voluntary work in the community.



Nathan Tomlinson, managing director, Devonshire Motors, accepts his award

Devonshire Motors won AM Awards for Best Dealership and Best Aftersales Performance in 2018.

Tomlinson said: "We have all been here for 10 years plus and all get on well together and respect each other. We all 'fit in' together and work like a family. We can have a laugh and a joke and also pull together when under the cosh."

JOHNSONS MAZDA GLOUCESTER

Lunchtime walks, birthday celebrations, hugs and plenty of laughter help the staff at this dealership get a little relief from workday pressures and form part of the reason they voted the business a Best Dealership To Work For.

Having begun trading in April 2018, the dealership "has been built from scratch" according to its general manager Helen Price, who received an Outstanding Management Accreditation Award from the Institute of the Motor Industry in 2018.

In her first post as general manager, Price has been careful to select the right recruits and to hire talented team-workers who want to "be part of something special". The environment she has built is supportive, motivational and celebratory. The dealership has the highest female-to-male workforce split of all our participants, at 38:62.



Helen Price, general manager, Johnsons Mazda Gloucester, said her dealership 'has been built from scratch'

"We want to be the dealership that others say 'if you want to see what a great dealership looks like, go to Johnsons Mazda Gloucester,'" she said.

Private healthcare, dental and critical illness insurance are among optional benefits for staff, but all get offered death-in-service benefit, childcare vouchers and a defined contribution pension as standard.

LUSCOMBE MOTORS

This dealership in Leeds, representing Mitsubishi and Suzuki, is firmly established as an AM Best UK Dealership To Work For – this is its third consecutive year on the list.

The ethos in the business is on offering a high level of personal service to win customers, and also to foster a team spirit. Employees feel empowered, engaged and connected, and the management team is motivational and encouraging – managing director Robin Luscombe texts everyone an update every weekend outlining trading performance and singling out individuals for praise. All workers share financially in the dealership's success.

"Most staff enjoy working here, as there is a great atmosphere where you are treated as a member of the family rather than a number," he said.

Ad hoc social events for staff and their partners, charity activities and a Christmas party with a live Beatles tribute band and singing waiters are



David Taylor, finance director, Luscombe Motors, accepts the award, the dealership's third in three years

some examples of how Luscombe's employees let their hair down.

Standard benefits offered include private medical insurance, childcare vouchers, cycle loans, discounts on cars and servicing, and money off at other retailers.

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MONAGHAN BROS

It's the first time this outlet has reached the ranks of the Best Dealerships To Work For.

Based in Lisnaskea, Co Fermanagh, with Ford and Hyundai franchises, Monaghan Bros has a long and strong reputation in its home town, close to Enniskillen.

Staff retention at the company is extremely strong, but when there are gaps in the workforce to fill, sales director John Armitage said in his employer survey that he rewards employees who refer new hires. It has programmes or practices that encourage recruitment of people of varying ethnic and cultural backgrounds and ages and disabilities.

Staff can work from home, work flexible hours or a compressed work week. There are free or subsidised meals and the business plans activities to encourage exercise and fitness. Benefits include bicycle or season ticket loans, a car allowance, discounts with other retailers, financial advice and a defined contribution pension scheme, with matched contributions.



Martin Armitage, sales administration, Monaghan Bros, accepts his dealership's award

PREMIER FORD

An annual loyalty awards recognising every decade of service, a Christmas dinner dance with partners invited, and yearly appreciation awards to reward those who go the extra mile for colleagues and customers are highlights for employees at Premier Ford on the Isle of Wight.

Managing director David Rye ensures workers feel valued and recognised, and communicates regularly with all employees to keep them informed of company developments and to understand what challenges and opportunities they wish to embrace. Almost all staff are bonused on customer satisfaction and department performance.

The island has 150,000 inhabitants, so Rye appreciates the need to develop and retain its own skilled workers. Staff churn is low, but new recruits are selected carefully, and mentoring and training programmes ensure anyone can learn new skills. Six of its eight managers/supervisors are people who have worked their way up within Premier Ford.

"Within our small community we believe we stand out as an honest,



David Rye, managing director, Premier Ford, communicates regularly with all employees

caring, reputable and ethical company who looks after all its customers and all its staff," said Rye.

The business allows employees to use part of their annual holiday allowance as 'duvet days', taken without advance notice.

ROADSIDE (GARAGES)

An enjoyable and rewarding place to work with a happy atmosphere – that's how staff regard Kia dealer Roadside (Garages), back this year for its third consecutive Best Dealership To Work For trophy.

Managing director David Boyd encourages his team to work closely together for the good of the dealership, the customers and themselves. Nights out, showroom events and fundraising for local causes give employees the opportunity to have fun together and develop their team and community spirit. Roadside-branded footballs for staff to give to their children's primary schools are another nice touch, and older children are encouraged to come in for work experience during school holidays.

"When staff are motivated and happy, both the customers and the business benefit," said Boyd.

The three things employees rate particularly highly are the Coleraine-



David Boyd, managing director, Roadside Garages, encourages his team to work closely together

based dealership's family-friendly atmosphere, being empowered to look after customers, and the on-site coffee shop with Starbucks drinks and cakes.

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SPOTLIGHT:

ONES TO WATCH



Looking forward to 2020

The people, brands, products and developments that will occupy motor retailers in the coming year



WHO TO WATCH

HI-TECH ENTRANTS, NEW ALLIANCES AND PRODUCTS, ONGOING REGULATORY CHANGES AND OLD SUPPLY WOES

PAGES 44-45

PRODUCTS TO WATCH

FROM EVS TO AFTERSALES LOCKERS, WE LOOK AT WHAT DEALERS WILL BE SELLING OR USING DURING 2020

PAGES 47-48

WHAT'S ON THE HORIZON?

EVS, ONLINE RETAIL AND CONNECTED CARS ARE LIKELY TO MAKE WAVES NEXT YEAR, SAY MOTOR RETAIL EXPERTS

PAGE 51

Who to watch in 2020

Hi-tech entrants, new alliances and products, ongoing regulatory changes and old supply woes will make for an interesting 12 months

AUDI

Once a darling of the industry, Audi is now a difficult franchise, dealers tell *AM*. A meeting between its directors and franchisees in the autumn became quite heated, as post-WLTP supply and profitability issues still haven't been fully resolved. Dealers are still limited in what new cars they can sell, they have been pressured into taking packs of cars derogated from RDE compliance that require heavy discounting to be attractive, and franchisees cannot continue working much longer for so little earnings when their fixed overheads are high.

Investors want action from Audi to restore what is now the lowest-rated VW Group franchise in the UK (franchise satisfaction 3.5 out of 10 in the latest NFDA Dealer Attitude Survey). Audi declined to comment, but some groups are voting with their feet – Inchcape has sold three of its seven Audi dealerships since 2018.

CAZOO

Zoopla and Lovefilm founder Alex Chesterman will launch his used car retailing start-up by the end of 2019. Chesterman has spent the past 18 months raising more than £50 million in funding, recruiting more than 100 people – including experts and experienced motor retail executives – and devel-

oping the technology that will underpin its service. He also signed a long-term contract with BCA, for the remarketing and logistics group to prepare, image and store more than 6,000 cars for Cazoo. Chesterman sees used car retailing as "suboptimal" and "ripe for disruption" so Cazoo's first year of trading will be keenly monitored by traditional dealers.

EUROPEAN COMMISSION

A Motor Vehicle Block Exemption Regulation evaluation is under way to determine the effectiveness of the rules and guidelines governing vehicle manufacturers' new car and parts distribution and aftersales competition across the European Union. The report is due by May 2021. Even when (or if) the UK does leave the EU, we can expect these Europe-wide regulations to still affect our market where the national sales companies here report into regional headquarters within the EU.

FCA AND PSA GROUP

With a merger on the cards between France's PSA Group and Fiat Chrysler Automobiles, the new enlarged business will expect to gain synergies

quickly to offset the costs involved in developing new, efficient powertrains and driver assistance technologies. With PSA's turnaround man Carlos Tavares at its head, it expects to achieve annual savings of £3.2 billion (€3.7bn) without closing any assembly plants.

Both PSA and FCA are convinced there is compelling logic for merging into a single business with the scale, capabilities and resources to capture successfully the opportunities and manage effectively the challenges of the new era in mobility.

The implications of bringing Peugeot, Citroen, DS, Vauxhall/Opel, Fiat, Chrysler, Jeep, Alfa Romeo, Abarth, Ram, Lancia, Ferrari and Maserati within one group won't be immediately discernible for UK dealer networks in 2020. However, next-generation cars and vans will have common platforms and technology, akin to Volkswagen Group's strategy, and, in the long term, it is possible some group brands will be even more marginalised in the UK.

FINANCIAL CONDUCT AUTHORITY

The FCA's interest in motor finance and general insurance shows little sign of abating. Depending on the results of its motor finance consultation, which ends on January 15, its proposals to ban 'discretionary commission models' and change the CONC rulebook to clarify commission disclosure requirements will be in place in Q3 2020.

In Q4 2020, it will begin 'supervisory work' of a sample of motor finance



houses and retailers. It has already begun its formal investigation into top 5 AM100 dealer group Lookers over "control issues in the sales process". These concerned a particular division of Lookers, AM understands, however the regulator is examining compliance practices across the entire retail group in its fact-finding phase. Lookers declined to comment on the specifics.

The FCA's current attention on the general insurance sector will lead to a report and consultation in Q1 2020 on measures to improve the governance, control and oversight of their pricing. It wants insurance firms to put fair value and treatment of customers at the centre of their pricing practices. The FCA said it dislikes practices that make it difficult for consumers to make informed decisions on insurance products, and which profit strongly from consumers who renew without shopping around and who are charged more than new customers who get discounts.

GROUP 1 AUTOMOTIVE UK

Growth at its US-based parent is offsetting a slowdown at Group 1's UK operation, which still accounts for almost a fifth of its global revenue. But the group is seeking to strengthen the business, which spans the south-east of England and into East Anglia, by consolidating near-premium and premium brand networks.

It bought five Volkswagen car and van businesses this year, and will hope to bring these up to speed in 2020 as and when political stability returns. It has also just opened a flagship five-storey Beadles Jaguar Land Rover site in north-west London, filling an open point for the JLR network. It takes its JLR representation to four dealerships, and Group 1 expects the new site's annual revenues alone to be about £65 million.

LOOKERS

The Manchester-based group has been steadily climbing up the AM100 through

acquisitions and is now the UK's second largest motor retailer. But 2020 will be a critical period for the business. After two profit warnings within four months, Lookers' board decided that chief operating officer Nigel McMinn and chief executive Andy Bruce were not stemming the losses fast enough and asked them to walk away.

The departure of long-serving Bruce in particular has shocked many industry observers, who have regarded him as an inspirational leader. In his 17 years on the Lookers board, he had grown along with the business and was ideally skilled and experienced enough to steer it through the changes looming for franchised networks. The board had valued him so highly they raised his salary in 2019 to £450,000 from £368,000 after identifying he was positioned significantly below the market levels of CEO pay for comparable businesses.

Chairman Phil White now takes a temporary executive chairman role while a new CEO is sought, but Lookers' leadership turmoil comes at an already difficult period for its 8,000 workers.

Since announcing a H1 2019 27.5% drop in underlying profit before tax, it has increased its consolidation. It closed five of its 170 franchised dealerships in H1 2019, and a further 15 will close, 13 before the year-end.

The FCA has also begun picking apart Lookers' F&I sales and compliance processes used between January 2016 and June 2019. The outcome of this investigation will become known in 2020, but Lookers has been in regular communication with the FCA and has already committed to voluntary changes.

PENDRAGON

Almost 12 months since Pendragon announced that its long-serving chief executive Trevor Finn would retire, the nationwide

dealer group is still seeking a permanent replacement for the post who can steer the business through the next decade. Former Jardine Motors boss Mark Herbert's appointment in April was cut short, seemingly losing the support of Pendragon's board three months into the role after he issued a profit warning and planned "a refocus of strategy and execution in Car Store", its used car supermarkets division that launched in 2016.

Since then, chief operating officer Martin Casha and chief financial officer Mark Willis have led the business on a day-to-day basis, reporting to chairman Chris Chambers. Despite Herbert's exit, Pendragon has since reviewed the Car Store network and has closed 22 of the 32 sites to stem group losses, with more than 600 jobs cut.

VOLVO

The brand has been ascending strongly off the back of desirable products and a clear positioning around safety and environmental credentials. Its Vision 2020 aim was for no one to be killed or seriously injured in a new Volvo car after 2020. Now that it has completed its range revolution, which began with XC90 in 2015, and its dealers have geared up for higher volume with VRE showrooms, the pressure is on to sustain that momentum. It is rolling out plug-in hybrid variants of its models already, becoming the first brand to offer PHEV in every model line, but in 2020 Volvo dealers gain their first pure electric car, the XC40 Recharge, capable of covering almost 250 miles on a full charge. Volvo will follow that with the introduction of a full electric model every year until 2025. **TIM ROSE**



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MOVING PEOPLE

*Source: 69% of 130 people surveyed at AM LIVE 2019 predicted sales in the automotive industry would decline by 1-10% in 2020.

Products to watch in 2020

From EVs to aftersales lockers, AM takes a look at some of the new products that dealers will be selling or using during 2020



➤ LEVC ELECTRIC VAN

London Electric Vehicle Company, the commercial vehicle brand that recently recruited AM100 dealer groups Lookers and Endeavour Automotive to its retail network, will launch a light van for urban businesses in Q3 next year.

Fitted with a range-extending hybrid system, it will have a fully electric range of about 80 miles and an overall range of 377 miles using the 1.5-litre petrol range-extender to charge the batteries.

LEVC, owned by China's Geely, currently sells the TX electric taxi cab, which uses the same powertrain.

A spokesperson for LEVC said having a range-

extended plug-in van means more businesses will be able to make the switch to new technology, without having to worry about public infrastructure hindering operations.

The spokesperson said: "Full battery-electric vans with long driving ranges are still under development, so a range-extended LCV that can carry out city centre drops in zero-emission mode, but also drive several hundred miles, can operate as a distribution to door van, not just a last-mile delivery van."

Prices for the LEVC electric van will be confirmed next year.



➤ HONDA E

Honda's rival to the Mini Electric, Volkswagen's ID3 and Peugeot's e-208, the Honda E will launch in early summer 2020.

It leads the Japanese brand's plug-in vehicle product offensive, which will see it move to having an electrified powertrain in every new model in Europe by 2025.

The E features a host of new technological features that help it to stand out in the growing EV sector. These include range-saving aerodynamic features such as no side mirrors, and pop-out door handles. Traditional mirrors are replaced with compact cameras, providing live images to two six-inch screens inside the cabin. The interior features a five-screen, full-width digital dashboard and connected infotainment system.

Connected services and applications accessed through the touchscreen interface can be activated using voice commands to

engage with the Honda Personal Assistant service.

Owners will be able to connect remotely to the car through a My Honda+ smartphone app, with EV-specific functions such as battery charge control and range monitor.

The Honda E is also accessible using a digital key, allowing the car to be locked and unlocked using a smartphone application.

The car uses a 35.5kWh battery, delivering a range of up to 136 miles. A fast-charging capability allows recharge to 80% capacity in 30 minutes.

Prices start at £26,160 for the entry-level model, which has a 136PS electric motor.

The Honda E Advance has a 154PS motor and costs £28,660. The E is also available on finance, with prices starting from £299 per month for the base-spec model, and £349 for Advance trim.

➤ ROBOTIC PROCESS AUTOMATION

GForces is currently piloting robotic process automation (RPA) with dealers that will let artificial intelligence (AI) complete data entry and rekeying tasks.

Paul Stokes, GForces' head of online retailing, said: "The industry has gone a bit systems bonkers over the years.

"We're looking at introducing RPA as an additional product for retailers where they can use AI to take some of the manual data-entry processes out of employees' day to day [workload].

"It's going to free up time to focus on more important areas, like customer service."

RPA works by trawling emails, documents and forms for relevant

information. Stokes gave an example of a lead coming through from a manufacturer customer relationship management (CRM) system and this lead needing to be entered into a dealer's own CRM. Dealers would be able to use RPA to make sure all records are updated, but without the need for manual entry.

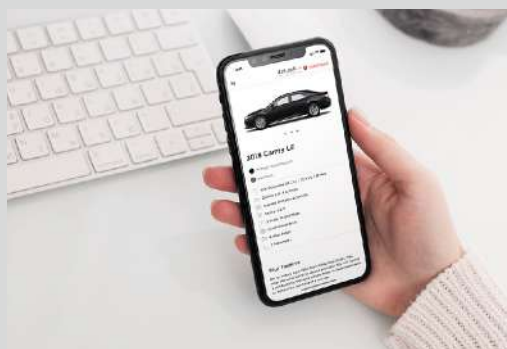
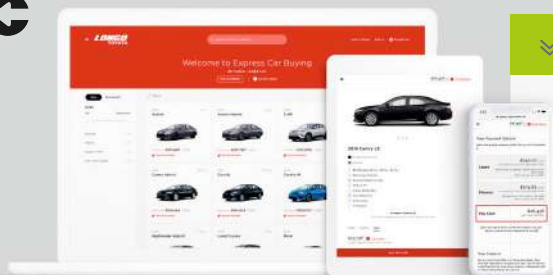
Stokes said: "We're also looking at marketing automation to track a customer's journey online and to customise web pages to make their experience more relevant.

"That might be something as simple as a welcome back message or automatically displaying the last vehicle they were viewing, so they don't have to search to find it again when they return."



SPOTLIGHT:

ONES TO WATCH



ROADSTER E-COMMERCE

This California-based company wants to break into the UK market next year with dealers that want to switch on e-commerce functionality for their new and used car offerings.

Roadster is already working with about 1,000 dealerships in the US and has started trial schemes with a few groups in the UK, but is looking to expand further in 2020.

Roadster offers a white-label solution for dealers to switch on online deposits, finance applications, service plans, new car options, add-on insurance and part-exchange tools so consumers can build their own deals.

Rob Abrahams, formerly Carwow product manager and now Roadster's lead for business growth in the UK, said:

"The main difference between us and other solutions out there is the tech underpinning the store and purchase flow.

"The design of the system is much more user-friendly and customers can start the buying journey at any point, whether they're at home or at the dealership. It means dealers can be truly omni-channel."

Abrahams said the target market for Roadster is likely to be small- to medium-sized groups that do not want to invest millions in an in-house e-commerce solution, but want something cost-effective that will allow them to keep pace with the market.

He said: "For those that join as a pilot dealership, there will be a discounted price point as an early adopter."

EDYNAMIX AUTOPOINT LOCKERS

EDynamix will launch its self-serve lockers next year. When a customer uses its online bookings systems, a code is sent, via an app or an SMS message, which can be used to deposit keys into a secure locker when dropping off their car. On arrival, the customer checks in via touchscreen, alerting staff that the vehicle is on site.

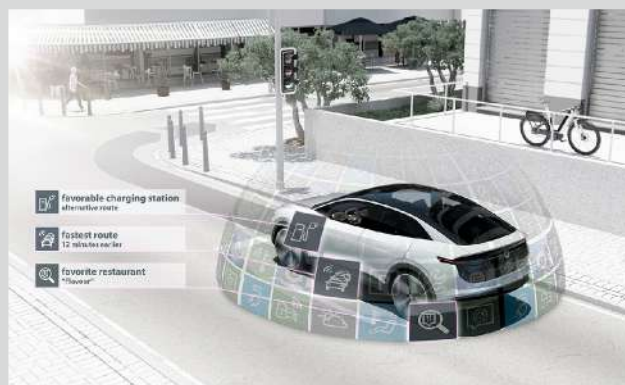
Iain Nickalls, eDynamix director, said customers will be able to pick up keys after service departments have closed, or on Sundays when most aren't open. There is also an opportunity for parts collections to be included in the lockers.

AutoPoint is currently trialling the lockers at four dealerships in the UK and one has already signed up to take on the product. One manufacturer in the UK is also looking to trial the product in 2020 as part of its aftersales strategy.

Nickalls said: "You can book a hotel room online, turn up, put a code into a machine, pay and have it issue your door key without any human interaction.

You can now buy a car online and have it delivered to your door without interacting with a dealership. So why shouldn't you be able to do the same in the aftersales arena?

"Much of the automotive industry still does not offer a fully automated or integrated online bookings system and offers nothing more than a service request form, so are way behind many other industries."



5G CONNECTIVITY

Mobile network EE switched on 5G on May 30 this year, but other providers such as Vodafone, O2 and Three are scheduled to switch on before the end of 2019 in major cities. More cities and towns will get 5G next year, part of a staggered launch that will see 5G take over "core network" functions from 4G before 2022.

5G offers much higher connection speeds (up to five times faster than 4G) and lower latency (response times).

The rollout of 5G is likely to spark a gold rush of services as manufacturers, dealers and third-party suppliers look

to monetise the data flowing out of vehicles.

Companies such as Intel, Vodafone and Qualcomm are developing specific automotive functionalities that take advantage of 5G, such as car-to-transport-infrastructure communication, more precise satellite navigation, high-quality audio, improved car Wi-Fi and car-to-car communication.

Manufacturers have already been ruled by the European Commission as being "gatekeepers" of the data flowing from vehicles, but they can grant third-party access to dealerships if they wish.

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What's coming in 2020

Autonomous cars may still be an 'if' rather than a 'when', but EVs, online retail and connected cars are likely to make waves next year, say motor retail experts

Filtering fashionable buzz words from real-world consumer trends will help car retailers to face the challenges and embrace the opportunities of the year ahead.

While many industry commentators are predicting an electric vehicle (EV) tipping point and that the Government's clean air legislation will influence consumer behaviour in 2020, a survey conducted by digital consumer intelligence company Brandwatch found that 5G, artificial intelligence (AI), and self-driving cars were generating greater "hype" on social media.

The link between the most talked-about technology and the reality of its impending impact was discussed on the IMI People Theatre at Automotive Management Live.

On social media, 5G and AI were the most discussed topics, according to 8,000 survey responses collected by Brandwatch. These form the foundations of the technology needed to support the next generation of self-driving cars.

Dean Lander, Thatcham Research's head of repair sector services, said: "Level 3 autonomous driving technology is upon us, but Level 5, the stuff that attracts all the hype and the headlines and what most people consider to be an autonomous car, is a long way off."



Tom Denton, e-learning development manager at the Institute of the Motor Industry (IMI), questioned the slow roll-out of 5G. He said: "One car brand has a series of systems bolted together to ensure that the car will search for a Wi-Fi or EDGE network to ensure they stay online. It's a bit of a sticking plaster."

Deloitte's UK automotive lead, Michael Woodward, said 5G will be a driving force behind another trend that will directly affect car retailers.

He said: "2020 could be the year that manufacturers and dealers begin to fully realise the value of data and connectivity."

"The widespread introduction of 'over the air' software updates will allow new car owners to have less interaction with dealers after their initial purchase – this will likely have major implications for customer retention and loyalty."

Isaac Abraham, Frost and Sullivan's senior consultant for automotive business and retail strategy, said connectivity will also feed in to customers' growing expectation of "a personalised vehicle ownership experience" through in-vehicle value-added services.

Mercedes-Benz's Mercedes Me strategy offers customers a single log-in platform – accessible via mobile app or in-car – that allows them to tap into a series of lifestyle, mobility and shopping solutions.

The strategy is underpinned by a new CMS system, which supports a consumer's vehicle configuration needs and a retailer's ability to greet and better serve its customers. Online service booking and e-signatures are also part of the system, designed to support Mercedes' push towards 25% online vehicles sales by 2025.

Woodward believes a dramatic rise in the volume of EVs reaching the UK market will be a driver of rising online new car sales in 2020, giving "much more of a focus to online as a realistic, viable alternative to the showroom".

“CURRENT SALES OF EVS COULD BE DWARFED BY DEMAND WHEN 0% COMPANY CAR TAX RATES COME INTO EFFECT IN APRIL 2020
MICHAEL WOODWARD, DELOITTE

"Many established brands are beginning to roll out EV models and there are a lot of new entrants in the market that could add to the supply into Europe," he said.

"In fact, current sales of EVs could be dwarfed by demand when the new 0% company car tax rates on zero-emission vehicles come into effect in April 2020."

Hyundai launched its Kona EV online in 2018 and Geely-owned market entrants Polestar and Lynk & Co are to bring their web-based sales strategies to the UK market.

The push towards online retail could bring with it a new threat to car retailers as leasing companies use direct-to-consumer platforms, such as Zenith's ZenAuto and Motorama.

Sandicliffe Motor Group's Sandicliffe Motor Contracts business and Inchcape's Inchcape Fleet Solutions left the leasing sector recently and Woodward suggested that a disproportionate amount of EV volume may be handled by leasing companies in the year ahead.

Woodward said: "Larger leasing companies are already reporting double-, and in some cases triple-digit growth in orders for EVs."

"Some leasing companies could see EVs occupy more than 50% of new orders on their books in the next two years."

Brexit and the impact of the forthcoming UK general election will probably have a greater impact on consumer behaviour than these technological advances. But new technology and emerging consumer trends will play their part and, either next year, or further ahead are sure to prove more than mere social media hype. **TOM SHARPE**

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Every day, vehicle interiors hold millions of particles and pathogens carried by air, people and animals. Fabric and seats absorb the bad smells, while stitching and child seats attract bacteria and allergens.

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“The Sanitisation System, when applied to a customer's vehicle, cleans the interior to 'medical grade' levels. This means, not only is the car clean, but it's cleaner than clean!”



also removes the bad smells of smoking, animal fur, cooking, mould and perspiration. It destroys the volatile residue of chemical detergents and repels infesting insects.

The process of sanitising the vehicle is made quick and easy by the wonderful technology and science inside the sanitiser unit. The Sanitisation System converts the oxygen (O₂) inside the cabin to ozone (O₃) – a colourless gas composed of trivalent oxygen, which is found in nature – killing

the source of all the nasties inside the vehicle. Ozone is made in the atmosphere by lightning and the Sun's rays acting on oxygen molecules and it is what protects the surface of the planet from ultraviolet radiation. It is present in greater quantities in the mountains, which is what gives you the perception of fresh, pure air.

Ozone is a powerful oxidant, and when it comes into contact with an odour (a volatile organic compound) a reaction takes place that turns the odour into a harmless, non-odorous substance, without leaving traces or chemical residuals. Ozone's natural tendency to convert back to oxygen make it useful in many applications for the treatment of air and water.

The Sanitisation System, when applied to a customer's vehicle, cleans the interior to 'medical grade' levels. This means, not only is the car clean, but it's cleaner than clean! Our system cleanses the interior of any bugs, viruses and smells, making your customer's car a cleaner, safer place.

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Northridge Finance plans confident start to 2020

Alan Carson, Northridge Finance Sales Director, feels positive about prospects for 2020 and beyond, after another year of substantial growth.

"Northridge Finance is well prepared for whatever the future brings. While other lenders have opted to leave the market or are focusing their resources in other areas, Northridge is in a resilient position thanks to consistent innovation, customer focus and great people. These have been the cornerstones of this company from the start over 60 years ago. This year Northridge remained consistent and are predicting another record year of lending estimating an increase of 20% on 2018, which exceeded £1bn for the first time.



The business is welcoming two highly experienced new senior team members having announced Paul Whitaker, as Regional Manager for the South in August and Dave White as Key Account Manager in November. With over 35 years' motor finance experience between them, in Lloyds and Barclays respectively, they will complement and strengthen our existing nationwide team. Northridge is committed to adding expertise

and skill to vital areas when others are moving away or are uncertain of their long-term future. The business anticipates a 10% increase in 2020 employee numbers to further improve the service proposition and build for tomorrow.

In line with the evolving needs of Northridge's partners and customers, the business is enhancing products and services. Latest innovations will boost efficiency, save time and make life easier, ultimately helping retailers improve their processes and enhance delivery times. Key areas of focus are digital solutions for customer self-serve, enhanced credit decision automation and faster pay-outs.

Specifically, a new progressive scorecard will expedite credit decisions and the launch of nationwide 'sign at home' availability in Q4 means customers can enjoy the ultimate convenience of completing their financing paperwork on-line, at a time and place that suits them. Reduced waiting, improved security, and space to read, query and understand their finance product. For greater customer choice, alongside traditional HP and PCP, Northridge is rolling out a PCH product in early 2020 through a brand new online capture system.

Obviously 2020 will see significant changes to the current intermediary commission structures, following the latest FCA update in October. Northridge will work with dealer partners to ensure the all FCA rules are fully applied ensuring that dealer Point of Sale finance is an attractive and transparent journey for the customer." As a strong challenger in the motor finance sector, Northridge Finance is better placed than ever to help retailers plot the right path through a shifting landscape. In tandem with supporting their existing relationships, the business 2020 priorities include a renewed focus on the number of partner retailers they work with, seeking continued but sustainable growth as they move into the next decade.

For more information on what Northridge can do for your business, please contact Alan Carson at alan.carson@northridgeuk.com

AM

AWARDS: 2020



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THE 2020 CATEGORIES

(* = audited by BDO)

Best Marketing Strategy

Marketing should help you to build your brand as well as to find new customers and help you to grow sales in the short term.

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Best Online Consumer Experience

Dealers entering this new award category should provide an excellent, comprehensive, customer-focused digital experience for consumers who are searching online for their next car, whether new or used.

Sponsor: *cargurus*

Best in Customer Service

Entrants should have a customer-centric culture and take pride in strong satisfaction scores, but never allow complacency and react robustly to fix the situation whenever things go wrong.

Sponsor: *LTK Consultants*

Best Aftersales Team*

Open to franchised workshops and independent repairers, entrants will have high-performing teams of service reception, workshop control and technical staff who deliver great returns for the dealership.

Sponsor: *Gtechniq*

Best Sales Team (new and/or used)*

This award acknowledges the power of multiple individuals

working together towards an acknowledged goal in a new and/or used car or van sales department in the past 12 months.

Sponsor: *Motorclean*

The Community Hero award

We want to recognise dealerships that are deeply rooted in their communities, support local causes and organisations, and have a culture of giving something back.

Best Used Car Dealer (independent non-franchised)*

Retailing second-hand cars demands a host of skills and processes, from stock acquisition and preparation to marketing and protecting profit margins. We seek entries from independents and car supermarkets that show strength in all these aspects.

Sponsor: *Santander Consumer Finance*

Best Used Car Dealer (franchised)*

Pre-owned cars should not be the poor relations for the franchised dealership keen to win this award. Entrants should evidence strength in stock acquisition and preparation, marketing, sales and profits.

Sponsor: *1link Disposal Network*

Used Car of the Year

Selected by a combination of readers' and judges' votes.

Sponsor: *Car Care Plan*

New Car of the Year

Selected by a combination of readers' and judges' votes.

Sponsor: *Supagard*

Franchise Partner of the Year

Selected by a combination of readers' and judges' votes.

Most Improved Dealership*

Driving a business from being good to becoming great, or turning around a poor operation, deserves recognition, so share your story with our judges.

Sponsor: *BNP Paribas*

Best Dealership*

This category is open to single-site owner-operators and to best-performing dealerships within a larger group network, to reward strong performance across sales, marketing, aftersales and administration.

Best New Dealership*

Open to outlets opened or brands added since January 2017, this award aims to celebrate the early wins of young businesses and recognise the effort and talent required to make a success of start-ups.

Sponsor: *Rapid RTC*

Best Dealer Group (up to 10 sites)*

Brand specialists or regional heroes apply here. Entrants should be high-quality businesses,

with strong sales and aftersales results, a culture of success and the financial rewards to show for it. Open to franchised and independent groups.

Sponsor: *Jewelultra*

Best Dealer Group (more than 10 sites)*

Here we recognise great large groups. Entrants should be high-quality businesses, with strong sales and aftersales results, a culture of success and the financial rewards to show for it. Open to franchised and independent groups.

Sponsor: *heycar UK*

Best Used Car Dealer Group*

Open to franchised and independent dealer groups, this new award seeks to recognise high levels of best practice in used car sales at the group level. Stock management, marketing and financial performance are among the criteria to be examined.

Sponsor: *Autoclenz*

The Bright Spark Award

New for 2020, this category invites entries about ideas and innovations, no matter how simple or complex, that have come from a dealer's member of staff to make a work process simpler, save time or money, or solve a problem in some way.

Sponsor: *CDK Global*

HEADLINE AWARDS

Manufacturer of the Year

This award recognises vehicle manufacturers that are developing and delivering the best products and technology consumers could want, both now and in the near future. Nominated and voted upon by the judging panel.

Sponsor: *carwow*

The AM People Investor Award

Companies that regard the development of their workforce as an investment, not a cost, should enter this category. The judges will want to see your training and

development strategy, understand how skills are developed and see evidence of the resulting benefits to the business.

Sponsor: *MFG Group*

Dealer Group of the Year

The ultimate accolade for the best business performance and culture. Selected by the judging panel.

Sponsor: *Black Horse*

Dealer Principal/General Manager of the Year

The judges will be looking for a dealer principal or general

manager who has done amazing things with difficult brands or marketplaces. In doing so, they will have demonstrated excellent leadership skills, drive and innovative thinking that has helped the dealership to achieve business objectives in the face of adversity.

Business Leader of the Year

To recognise strong leadership, vision, visibility and accountability at the highest level. Nominated and voted upon by the judging panel.

Sponsor: *Premia Solutions*

AM Hall of Fame

We recognise someone who has made an outstanding contribution to the automotive industry during their career. The recipient is chosen by AM's editor, Tim Rose, and editor-in-chief Stephen Briers.

Sponsor: *Shell UK*



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GAP INSURANCE



Nick Franklin, head of distribution and product development, AutoProtect Trust

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Of course, the customer claims experience is the critical acid test of an insurer. Thanks to seamless technologies available to customers and dealers, claims are easily made and swiftly actioned and if there is any doubt in a claim, an unwritten rule ensures that the benefit is always given to the customer.

Perhaps this combination is why more than 5,000 verified Trustpilot reviews see AutoProtect lead the market, with an 'Excellent' rating.



AUCTION & REMARKETING



Stuart Pearson, chief operating officer, BCA UK Remarketing

With 24 centres covering the UK, and sophisticated digital remarketing platforms, BCA is integral to the motor industry, with a complete range of vehicle buying and selling services, as well as logistics, storage and vehicle refurbishment.

BCA Partner Finance offers dealers of all sizes up to 120 days' funding on vehicles purchased at BCA auction centres.

The Dealer Pro app delivers an accurate, transparent and professional part-exchange process, building confidence with retail customers and improving profitability.

With the BCA Buyer app, customers can research, locate and bid on vehicles they need, while they are on the move.

BCA Valuations delivers daily valuation intelligence to ensure buyers and sellers are fully informed and in tune with the actual market conditions.

Through innovation, quality of service and experience, BCA creates the most efficient, sustainable and profitable vehicle exchange to meet the growing needs of dealers, putting customers at the heart of our business.



FINANCE



Richard Jones, managing director, Black Horse

We are delighted to have once again been awarded *Automotive Management* magazine's Dealer Recommended status for the ninth year running.

This award is particularly important to all of us at Black Horse, as it is voted for by you, the dealers. We truly value the significance of the recognition within the industry.

2019 has been an incredible year, but it has, of course, seen some challenges and we still find ourselves in an uncertain

economic and political environment. At Black Horse, we remain committed to investing in tools, services and training to ensure you can offer customers a seamless financial experience now and in the future.

2020 will undoubtedly bring further change and opportunities, and we look forward to supporting our dealer partners, whatever the future holds.



The greatest form of marketing is word of mouth. A business may have excellent products, but, ultimately, recommendations are a measure of outstanding service.

The results of AM's annual Dealer Recommended programme, which researches subscribing dealers about the companies they believe offer the best service, are in. Here, we present this year's recipients.



WARRANTY



Paul Newton, chief executive, Car Care Plan

Our status as a leading provider of vehicle warranty and motor related add-on products is something we are proud of, so being Dealer Recommended for the ninth year running brings us great joy. All of the products that Car Care Plan offers have been built with the customer in mind, as we want to ensure that every motorist is offered the protection they deserve.

Alongside our focus on customer satisfaction, our products are also tailored to suit specific dealer needs and delivered through a seamless sales process. Not only do dealers receive a product that fits their business, they can be sure that they are offering their customers quality protection.

The straightforward and hassle-free philosophy we employ has brought us more than 40 years of automotive protection success, and we look forward to many more years working alongside dealers and manufacturers to keep motorists on the road.



Car Care Plan

An AmTrust Financial Company

SERVICE PLANS



John O'Donnell, managing director, EMaC

At EMaC, we work in close partnership with vehicle manufacturers and dealerships to strengthen their aftersales relationships with their customers, creating positive experiences that lead to increased loyalty and greater revenues. We call this 'Ownercare'.

Our portfolio of clients includes 15 leading vehicle manufacturers and thousands of motor retailers, all of whom already benefit from EMaC's constantly evolving, technology-led product range to drive customer retention.

We use reliable, highly evolved platforms to integrate our systems with our clients'. We offer customer service that is second-to-none and we take responsibility so that our clients can focus on their strengths, knowing that their customers are in great hands.

We estimate that we created more than a quarter of a billion pounds worth of potential revenue to our dealer partners in 2018.

EMaC.

PAINT PROTECTION



David Paterson, marketing director, Supagard

Supagard has been the UK's market leader in professionally applied automotive paint and interior protection products since our foundation. Established in 1988, our reputation for quality is second to none.

Many manufacturers, along with dozens of dealer groups and hundreds of retailers, think so, too. We recognise the importance of supporting them to grow profitability and to meet the demands of new challenges in the constantly evolving marketplace.

This is an exciting time for all of us at Supagard, we have met 2020 with two market-leading products, and we aim to provide our consumers with new market-leading technology. This will allow them to offer exclusive services, unparalleled to anything on the current market.

That's why we never rest on our laurels and are committed to a programme of continuous research and development to ensure that we only offer market-

Supagard®

leading technology that is proven to make a demonstrable difference.

VALETING – IN-HOUSE VERSUS OUTSOURCING

Whether dealers valet their own cars or subcontract, new IT systems and data analysis are being used to make the process as efficient as possible

It is about 15 years since the concept of sub-contracting valeting to external specialists first really took hold, but changing times and different business models have since diluted that original focus.

"It's easy to understand why the idea was so immediately popular. Why would any dealer pay someone

five days a week for 52 weeks a year, when there will always be times when they need two people, and times when they don't even need one," asked Martin Peters, sales director at Autoclenz Group.

"Over the years, the model has worked well, particularly if you have the right IT system and processes in place, so a dealer knows when they want people and when they

don't. The industry has rather gone away from that model though, so we're trying to get it back.

"Motivation is one issue. You can't incentivise people with a flat daily rate, so everyone should be on unit-based piece work. You then have a leaner and meaner team hungry for work, and you'll probably drop one full-time member from the original team when the system is changed."

Autoclenz uses a progress system, which also takes images to capture vehicle damage, then uses it in-house to manage operators' efficiency and ensure best practice is followed.

Peters said the major dealership groups believe managing how often vehicles are valeted is increasingly relevant.

"We have gatekeepers to monitor



Partnership to profitability

Wholesale funding that adds up

NextGear Capital are all about being a genuine partner to their customers. Offering a 'total funding solution' of advice, insight and practical assistance to help dealers grow their business.

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the spend, so if a vehicle has already had a valet and another one is being considered, it will flag that up to the manager, and there will also be an operational gatekeeper to ensure the valeting system is working efficiently.

"If you drove into your dealer and asked for a valet, they would most likely offer you one several days away, or even into the next week. If you insist, it's not likely to be a very good one because they hadn't allowed for it.

"Sometimes there will be a 24-hour gatekeeper, so if a dealer wants an unusually large number of valets, they'll have to be in touch on the previous day.

"The IT system can also be a management tool to see which departments are within their spend and which are overshooting, so you create an internal league table to assess which users are working efficiently. Data can sometimes tell a harsh story, but without transparency, you can't manage effectively."

Chorley Group, which operates Nissan, Hyundai, Kia Motors and MG Motors franchises across north-west England, uses in-house valeters – though it prefers to call them detailers – and is about to adopt a sophisticated IT system to deliver the data and transparency to which Peters refers.

"We introduced the new system because one of our managers had previously used a real-time control system, and recommended it. Our technicians began using it in March, and we've been very pleased with the results," said Pauline Turner, Chorley Group's managing director.

"Time-tracking throughout the valeting process is very difficult, because it's all about accountability, and we pay our detailers by the hour, because it's impossible to set a time for a vehicle.

"The new system will allow staff to input times and detail about the process via their iPads or mobiles, so everything about the condition of the vehicle, the time they spend on different aspects, and if they are working with other in-house teams, is all accurately recorded."



The system will also include data about detailers' off-site time, perhaps collecting vehicles from customers or moving cars between group sites.

All in-house training is done by Chorley's head of valeting, who has been with the group for 30 years, to ensure quality standards are maintained across all franchises.

"We call our staff detailers because we expect them to consider every detail of their work. They might, for instance, notice a torn seat cover which has been missed by the technician, so they'd get in touch with the upholstery repairers,

or a scuffed alloy wheel which needed attention from the body shop," said Turner.

"Having a detailed record is great for passing on feedback. We already incentivise our detailers, and asking about the cleanliness and appearance of a vehicle is one of the questions on our customer satisfaction surveys.

"We're running at around 95%, so detailers are receiving a monthly bonus. The system is also useful for the management team, as we can see those people who are working that little bit harder, which we might not know about if we used a more

traditional approach."

However, not far away at North-West and North Wales BMW and Mini retailer Halliwell Jones, external valeting companies are used, and sales director Jim Houghton expects that will continue to be their preferred option.

"We have a day rate for demonstrators, used cars, display vehicles and customer service washes. We have found over the years that is the best approach to achieve high productivity from the valeters, without compromising on quality," he said.

"We also pay for valets on new and used cars on a piece time basis, where we pay a set amount per valet with a sound quality control process in

place.

Houghton, who has been with the group for almost 30 years, believes it is essential for any dealership looking to take on new valeting suppliers to carry out due diligence on their financial structure and insurance liability cover.

"If those elements are acceptable, we would then look at credit payment terms and at the quality of the cleaning materials and equipment they use."

He identifies outsourced suppliers' ability to cover both holidays and periods of sickness as a crucial benefit.

"If someone was directly employed, and they phoned in sick at short notice, it would be impossible to find a replacement valet who understood any processes in place and the quality required.

"However, an external contractor can put in a suitable replacement at short notice, and it's a real benefit, which we have really appreciated."

IAN HALSTEAD

Tel: 01283 554682, Email: sales@autoclenz.co.uk,
Web: www.autoclenz.co.uk



Do you want cheap valeting? Be careful what you wish for

Paying a little bit more for compliant, efficient service can save you money

At Autoclenz, we believe you can have good valeting and you can have cheap valeting, but you can't have both. With more than 50 years' valeting and cosmetic repair experience servicing the motor industry, Autoclenz excels in making your systems more efficient – and your life easier. By joining many of our services together, we have made doing business with us simpler, smoother and more cost-effective.

It is great to have cheap prices, but if this results in no valeters turning up on site, or non-existent account management or support, what are you actually paying for? Even worse, it could even cost you in lost vehicle sales.

Autoclenz is sure your organisation is compliant with the National Living Wage and the Modern Slavery Act. But what about your sub-contractors? In these days of corporate governance and corporate social responsibilities, it is your responsibility to make sure your suppliers also comply. If the valeting price is too cheap then you should be suspicious, as your valeters may be not compliant.

Effective cost-control

With our specialist operational coverage, we create efficient workflows with transparent financial control. The Autoclenz PVMS (Paperless Vehicle Management System) is the ultimate tool in controlling the movement of your stock through the valet, preparation and imaging process, while controlling the spend. PVMS is live, showing jobs awaiting, progressing and completed through the valet bay.

Working with our wide-ranging client list, we have been able to implement efficient systems to give you more cost visibility and to make your life simpler. By joining our services together, we have made the vehicle preparation process simpler, quicker and more cost-effective.



Custom-made, partial or fully outsourced solutions

Autoclenz is best known for its vehicle valeting services, but there's a whole lot more to see with Autoclenz than just cleaning cars. Clients now benefit from an award-winning suite of services.

With the customer experience and customer journey now an integral part of car retail, Autoclenz offers a fully outsourced solution to all preparation needs, offering services ranging from meet and greet, delivery and collection, imaging and cosmetic repair to premises cleaning.

Whether you are a retail dealership, auction house, volume refurbishment or daily rental operator, the ability to consistently deliver a high-quality customer experience is paramount.

At Autoclenz, we have all the expertise and resources to not only provide a superb valeting service, but also a portfolio of services that can either save money, increase revenues or improve customer satisfaction.

This includes our unique, fully managed cosmetic repair and Smartshop service that



offers a complete cosmetic repair solution on site for a complete end-to-end service in the full one-stop shop.

Join our blue-chip client list

Isn't it time to review your vehicle preparation needs? Please contact us for a free no-obligation discussion about how we can deliver you a better solution and save you money.

Autoclenz may not be the cheapest, but we offer exceptional value, great valeting and reliable, trustworthy valeters.

Autoclenz delivers peace of mind!

BE CAREFUL WHAT YOU WISH FOR



You can have good valeting, you can have cheap valeting, but you can't have both!!

It is great to have cheap prices but if this results in no valeters on site, non existent account management or support, what are you actually paying for?

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Find out about the award-winning difference at Autoclenz and why we are the preferred supplier to 8 of the AM Top 10 Dealer Groups.



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VEHICLE PREPARATION – CONTROLLING YOUR COSTS

Slick pre-delivery inspection processes between auction/part-ex and virtual and physical forecourts are central to maximising profits

Fast stock turn is a known profit driver, but how do used car retailers strike the right balance between speed and profitability?

Statistics from leading suppliers show premium prepared vehicles sell quicker because dealers are looking for retail-ready cars that will be snapped up on their own forecourts. However, part-exchange vehicles are more likely to undergo a pre-delivery inspection (PDI) in-house to avoid the cost of a move off-site and back again.

Cambria Automobiles, which operates 42 franchises across 17 brands at 27 locations, and Hendy Group, with its 49 used car outlets, 46 of which are franchised, spread across southern England, adopt different approaches, although both are in-house.

Eight years ago, Cambria introduced specialist PDI technicians at each dealership, with teams of up to five in larger businesses that report to the sales manager. Combined with other measures, vehicle prep time is down to just 36 hours from seven days.

Mark Lavery, the group's chief executive, said he would not consider outsourcing for several reasons, including the quality of the PDI. He said in-house PDIs were carried out by factory-trained technicians who are also stakeholders in the business and committed to ensuring it is right first time.

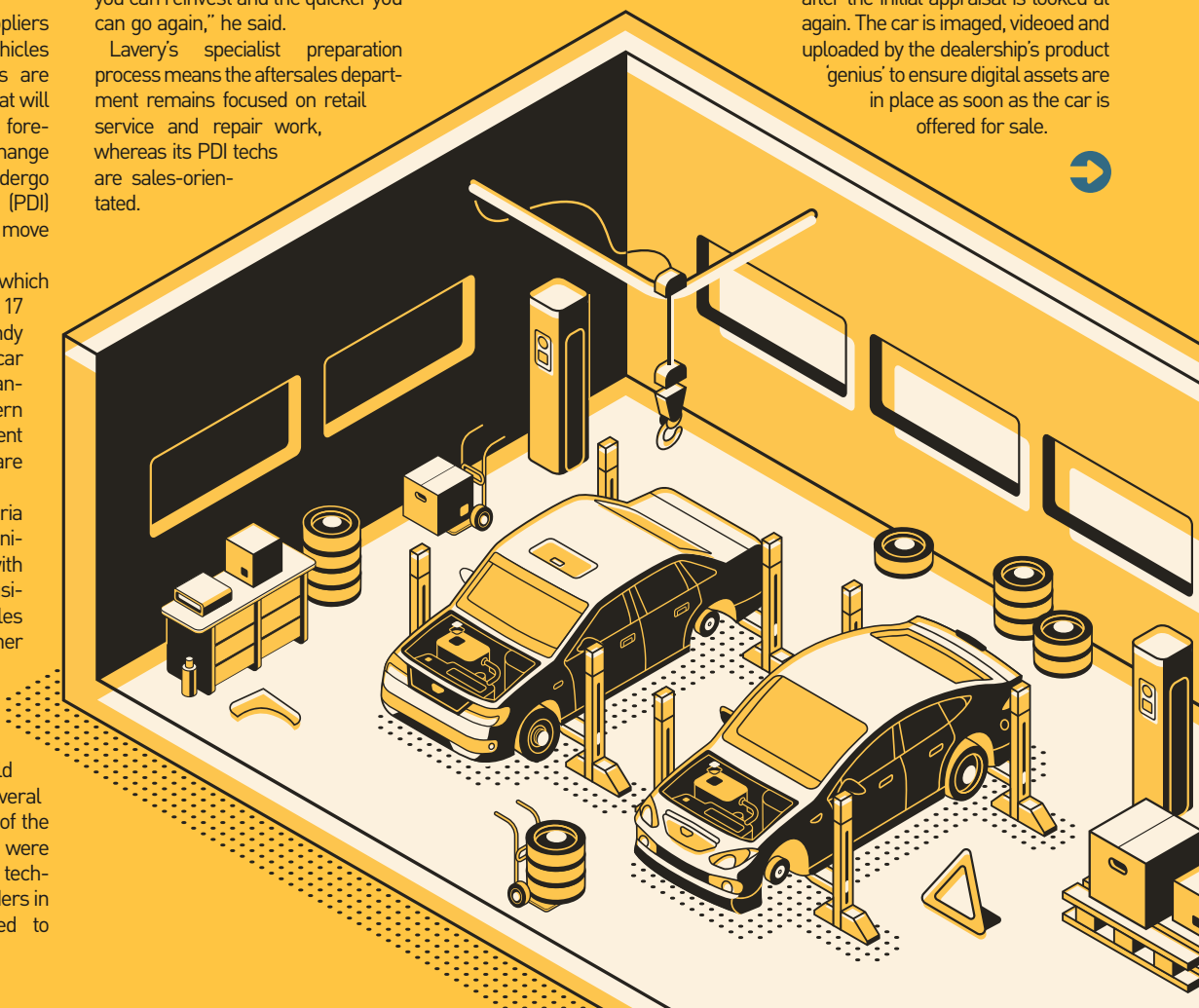
"The key is when the car touches down, it's offered for sale within 36 hours. If you leave it any longer, it starts losing money. The quicker you turn that car into cash, the quicker you can reinvest and the quicker you can go again," he said.

Lavery's specialist preparation process means the aftersales department remains focused on retail service and repair work, whereas its PDI techs are sales-orientated.

He said: "Working for the sales manager, the technician's priorities are different. If the technician was working for service and doing PDIs, he may find a lot more work and that

would increase the price of the preparation."

The business sets a budget per unit and any likely overspend must be authorised by the sales manager after the initial appraisal is looked at again. The car is imaged, videoed and uploaded by the dealership's product 'genius' to ensure digital assets are in place as soon as the car is offered for sale.



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GUARANTEE

CRYSTAL COAT - THE CERAMIC PAINT PROTECTION KEY TO THE PLATINUM SYSTEM - OFFERS UNRIVALLED GLOSS RETENTION, SWIRL AND CHEMICAL RESISTANCE.

GTECHNIQ'S REVOLUTIONARY DEALERSHIP SYSTEM INTRODUCES DETAILING EXPERTISE AND UNBEATABLE PRODUCTS TO THE MIX.

GIVE YOUR CUSTOMERS THE BEST PRODUCTS AND SERVICE,
AND KEEP YOUR PROFIT PER RETAIL UNIT FIGURES SOARING.

Lavery said: "It's a depreciating asset, so you need to get it to market as quickly as you can. You can't do that if you are using an external provider."

Hendy Group is establishing three of its own off-site preparation centres. About 70% of its used car stock is from part-exchanges, and the issues include moving vehicles off-site to the prep centre and back again and whether service departments can replace the PDI work.

Used car sales director Simon Palmer said: "It would free up a franchised site service department to concentrate purely on retail work, which has a far better recovery rate than any internal work. It would help us with same-day deliveries, what we lose in time moving a vehicle off-site, we gain hopefully in speed of turnaround."

"Having a forecourt of pre-prepared vehicles increases your gross margins because you are dealing with known costs."

"The key driver is can we replace those internal hours with retail hours? Given that the service parc is shrinking, service intervals are longer and with the arrival of alternative fuel vehicles which require less maintenance, it could be a gamble."

He added: "Our average reconditioning costs per unit across the group are £350. If a sales manager thinks it's £250 per unit, he may just give that extra £100 away to the consumer. By having it [done] internally, managing it very tightly and having standards that are not ambiguous giving both sales and aftersales the opportunity to earn more money, I think we get the best of both worlds, which is why any prep centre we use, we will run ourselves."

When it comes to sourcing used car stock at auction, the best-

prepped cars sell faster, as dealers are able to offer them for sale in a relatively short space of time.

Stuart Pearson, BCA's chief operating officer for UK remarketing, said: "Vehicles looking their best attract significantly higher buyer interest, leading to more first-time conversions and an improved sales performance."

"There is a noticeable and appreciable improvement in sales performance when vehicles are presented in 'ready to retail' condition, for the professional buyer to take away and sell without delay. Conversion rates improve, meaning the average time to sale is reduced and holding costs are decreased."

BCA recommends integrating refurbishment activity with the remarketing programme for better capacity planning and to speed up the process. As well as retail-standard presentation and condition, dealers need to ensure vehicles offered for sale have V5, MOT, service history, spare keys, locking wheel nuts, sat-nav disks and any other items that make the car complete. Many leasing companies use BCA's mid-life inspections to identify any issues before they become expensive to repair.

Pearson said: "With increasing volumes of vehicles being sold digitally, presentation is also important for online buyers in combination with high-quality imaging, accurate appraisals and realistic grading."

In a recent dealer survey from Cox Automotive, which operates auction and remarketing provider Manheim, 85% cited reconditioning work as the cause of the biggest delay between sourcing a vehicle and putting it up for sale. Refurbishment and repair

remain the highest costs when calculating vehicle margin, with 61% of dealers identifying it as having the biggest impact on the sale of a vehicle.

Philip Nothard, Cox Automotive's customer insight and strategy director for cars, said: "Many retailers are willing to pay premium prices for ready-to-retail vehicles, but those that take on part-exchanges or buy lower-grade stock need to mitigate the time and cost of reconditioning. One way to do this is through a focus on accurate part-exchange appraisals, which allows dealers to calculate profit margin opportunities and market pricing."

A recent study from Cap HPI suggested that a standard used family hatchback such as a Ford Focus can depreciate by an average of £7 per day, equating to £28 per car based on an average of four days to list the vehicle.

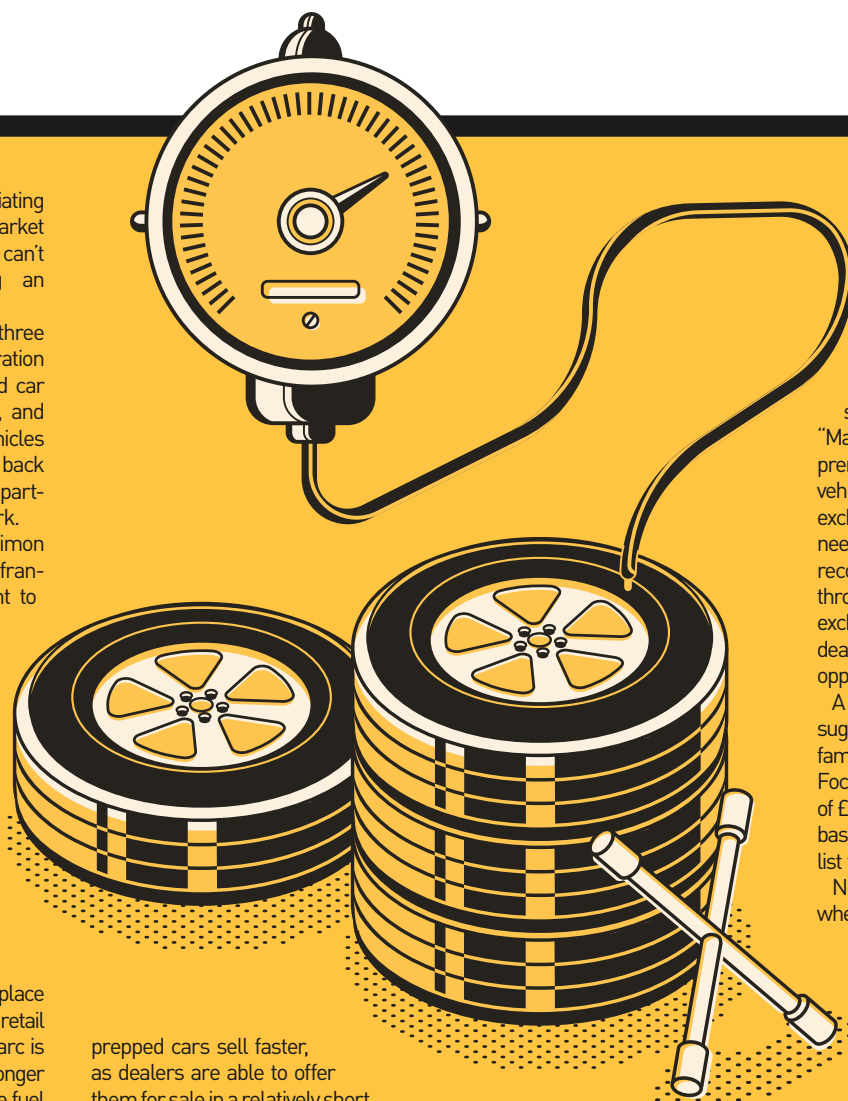
Nothard said: "Not every dealer, whether large or small, has the capacity and funding to invest in preparation centres big enough to be cost-effective."

In many cases, it's possible to reduce turnaround times and improve cost-effectiveness by working closely with a dedicated reconditioning partner, allowing the retailer to focus on their own area of specialism."

Martin Potter, Aston Barclay Group's managing director of auctions, said: "Every single one of our vendors that outsources Aston Barclay for pre- or post-auction refurbishment has broad rules in place, but then each car is still treated in isolation. In a buoyant market, refurbishing a car from a D or E to a C grade is worth the investment in time prior to sale as you will generally get your money back and more when it goes under the hammer."

He said franchised buyers can reduce their stocking days by buying pre-repaired stock at the vendor's cost, but they should expect bidding to be higher to reflect the cost to the seller.

"For franchised groups selling, the uplift in value will generate increased returns for part-exchange stock and allow quicker wholesale stock turn. The secret is to work with the best suppliers that will provide the best outcome." **DEBBIE KIRLEW**



“IT'S A DEPRECIATING ASSET – YOU NEED TO GET IT TO MARKET AS QUICKLY AS YOU CAN. YOU CAN'T DO THAT IF YOU ARE USING AN EXTERNAL PROVIDER

MARK LAVERY, CAMBRIA AUTOMOBILES

Why part-exchange is key to e-commerce success

E-commerce is increasingly becoming a buzz word in the automotive retail sector, with more car-buyers than ever looking to build their next deal online.

But for dealers to make a success of online retailing, they need to find a way to integrate part-exchange into the process, and this is where a conversation with Manheim, part of Cox Automotive UK, could prove worthwhile.

Manheim has launched a new suite of products that help dealers to offer a consumer-friendly online part-exchange process, to conduct consistent appraisals on site, and to make smarter remarketing decisions. We caught up with Paul Humphreys, managing director, car buying and mobility solutions, at Cox Automotive UK, to find out more.

How do you see e-commerce developing in the automotive sector?

E-commerce is very much a developing area for the industry, and the automotive sector has some specific challenges that make progress difficult when compared with other retailers. Despite this, the move towards online car buying has begun and is gathering pace.

In the world of new cars, we already offer part-exchange valuation tools that feed into the full e-commerce offering of manufacturers including Volvo and Ford, allowing online consumers to complete their deal, from car configuration right through to delivery.

Our own research shows that dealers are interested in creating something similar for used cars, and in a recent Cox Automotive survey, more than 80% of dealers said they expect to offer a full e-commerce experience within the next five years.

E-commerce has the potential to give retailers a huge commercial advantage, but only if they can integrate all the different elements that go into building a deal with the customer, and that, of course, often includes part-exchange.

What are the challenges around online part-exchange?

Part-exchange adds an element of complexity that other parts of the retail sector haven't needed to overcome.

Consumers are comfortable buying high-value items such as holidays or furniture online, but they are not usually trying to

trade in another item in order to build the deal. In the automotive industry, part-exchange is often a key element of the negotiation, but replicating this online has proved challenging.

To make e-commerce work, dealers need to provide a simple, self-service tool that generates an accurate valuation, making the part-exchange as smooth and transparent as possible for the consumer.

Tell us about more about Manheim Valuations & Appraisals

We have launched Manheim Valuations & Appraisals with the aim of making online part-exchange easy for both dealers and consumers. Under this new area of our business, we have created the 'eVA' suite of products that consist of eVA Valuations, eVA Appraisals, eVA Underwrite and eVA Insight.

It's all based around our market-leading valuation engine, which uses both wholesale and retail data, to work out accurate vehicle values up to six months in advance.

Part of the offering is a white-labelled tool that integrates directly with a dealers' website and back-office system.

For consumers, the tool offers a quick and simple way to get an accurate online

valuation for their current car, so that they can build a finance deal online.

For dealers, it's great for improving customer experience, but it also enables simple and profitable stock disposal. Using up-to-date market insight, we help dealers to make smarter decisions on whether they should push vehicles to auction or sell them in their own network.

So, is this simply an online valuation tool?

It's not just about online, Manheim Valuations & Appraisals is based around our ability to create market-leading valuations. It's really designed to connect the online and face-to-face experience for the consumer.

It features a comprehensive appraisal tool that can be used to value vehicles in-store, and market insight that supports buying and selling decisions.

We can also offer a car-buying service as part of the product. We're confident in our valuations, so we will buy the vehicle straight away for a guaranteed price, taking the risk out of the part-exchange deal and improving cash flow.

Even if the dealer decides to retail the vehicle, we will still offer a guaranteed price for up to six weeks, just in case it doesn't sell.

Manheim is best known for physical auctions – how does that sit with an online valuation tool?

Our wholesale heritage gives us a fantastic basis on which to create accurate valuations. We sell hundreds of thousands of part-exchange vehicles each year and all that data, coupled with comprehensive retail data, allows us to say how much a vehicle is worth with confidence.

Manheim has offered an in-store part-exchange tool called Seller Advance for nearly 10 years, so we have a wealth of experience in this area. Manheim Valuations & Appraisals takes the market-leading features from Seller Advance and combines them with a great online consumer experience. Our Seller Advance clients will be migrated to the new platform during 2020, enabling them to benefit from the growing demand for e-commerce services in the automotive sector.

Our physical network also offers everything a dealer needs to move, recondition or remarket the vehicle. Online

COMPANY PROFILE

Key products and services:

Manheim Valuations & Appraisals;
Manheim Inspection Services;
Manheim Vehicle Solutions; Manheim Auction Services (Digital and Physical);
Manheim Managed Services;
Manheim Logistics (including Movex)

Key staff: Peter Bell (managing director, Manheim); Martin Forbes (chief executive officer, Cox Automotive UK)

Founded: In the 1920s – it was originally called Central Motor Auctions

Based: Headquartered in Leeds, Manheim has 16 auction centres and five specialist vehicle defleet and preparation centres throughout the UK.

Visit: manheim.co.uk

Email: sales@manheim.co.uk



“E-COMMERCE HAS THE POTENTIAL TO GIVE RETAILERS A HUGE COMMERCIAL ADVANTAGE

PAUL HUMPHREYS, COX AUTOMOTIVE

tools are fantastic, but a car will always be a physical product, and Manheim has the infrastructure to manage the operational side of a part-exchange transaction.

Our market data also means that we are ideally placed to help customers make smart decisions on how to dispose of stock, whether it's through wholesale or retail. Alternatively, we are confident enough in our valuation to buy the car from the dealer for a guaranteed price to help maintain cash flow.

And don't forget, as part of Cox Automotive, digital retail specialist Modix is one of our sister companies, so we have plenty of online expertise and experience to draw upon.

Finally, can you tell us how Manheim Valuations & Appraisals stands out from other tools on the market?

Our product offers transparency and accuracy in the part-exchange

process, removing the anxiety that some consumers feel about trade-ins.

Research shows that 33% of consumers walk away from a part-exchange deal because of a disagreement over their vehicle valuation. Making it easier to create a deal online will certainly support sales conversion rates.

Because our tool integrates with a dealer's website and back-office system, it can seamlessly take a vehicle all the way from part-exchange enquiry, through to remarketing, and, as part of Manheim, we can offer the physical services needed to handle the part-exchange process.

It's a complete package that's designed to encourage consistent appraisals in the showroom, support e-commerce, and make it easy to dispose of the vehicle.

It really is an exciting product that removes one of the big hurdles to automotive e-commerce, and we are looking forward to talking to our dealer customers about it.



PEUGEOT 208: DIESEL TAKES BACK SEAT TO ELECTRIC SUPERMINI



The electric version of the new 208 may outsell the diesel by four to one

The arrival of the new Peugeot 208, which offers the option of a fully electric drivetrain in a familiar B-segment hatchback package, may drive yet another nail into the coffin of the diesel supermini segment.

Nicola Dobson, Peugeot's head of product, said the B-segment EV is expected to account for 10-20% of the new 208's annual volume, up to four times higher than the diesel derivative's market share.

But she would not reveal whether these registrations were expected to come in addition to its traditionally engined variants – 15,195 to the end of October.

While its predecessor was the best small Peugeot supermini in decades, there was still room for improvement, and the new 208 delivers it.

The older car was nicely styled, but it featured quite a lot of less-than tactile plastic and felt behind the times in terms

of technology. Addressing those issues is a noticeable uplift in the quality of materials used (although you can still find harder surfaces lower down), a padded dashboard, and a swathe of carbon fibre-effect material that is at the very least attention-grabbing.

A high-set seven-inch infotainment screen with Apple CarPlay and Android Auto takes care of most of the car's functions, with a set of chrome, piano-style switches to help navigate its menus, as in the latest Peugeot products found elsewhere in the range.

The 10-inch version of the screen with in-built sat-nav, standard on the e-208 GT, has to be specified as an option on petrol or diesel trims.

Prices for the new 208 start at £16,250 for the Active 1.2 Puretech and £25,050 for the e-208 in Active trim after the Government's low emission vehicle grant. They top out with the £29,650 (after the grant) e-208 GT,

“

WE EXPECT ELECTRIC VEHICLES TO MAKE UP BETWEEN 10-20% OF THE ALL-NEW 208 SALES MIX

NICOLA DOBSON, PEUGEOT

the range-spanning Allure (from £18,850) and GT Line (from £20,700) trim grades.

While base-spec Active models get a set of analogue instrument dials, Allure and GT Line trims (plus the electric-only GT) feature a 3D digital display, which works a bit like an LCD dial screen but introduces several see-through layers, allowing less important information to be projected slightly behind things such as your speed. This works very well.

The biggest change to the new non-electric variants of the new 208 is the addition of a fast-shifting eight-speed automatic gearbox.

Customers can choose from three petrol engines – 75PS, 100PS or 130PS, all use PSA Group's 1.2-litre, three-cylinder unit. The diesel line-up features a lone 1.5-litre engine with a single 100PS output, reflecting the waning appeal of what has now become a niche fuel choice in a supermini. Only 718 diesel-powered 208s were registered to the end of October 2019 (down from 1,407 the year before), accounting for less than 5% of total sales.

Peugeot said the mid-powered petrol is expected to be the best seller and it's easy to see why when you get the chance to sample the new 208 range. It's the best all-rounder thanks to the availability of

≡ REVIEW RATINGS

HONEST JOHN



PARKERS



WHAT CAR?





Peugeot said the mid-powered 1.2-litre petrol is expected to be the best seller



A seven-inch infotainment screen takes care of most of the car's functions

automatic or six-speed manual gearbox and with 205Nm of torque provides enough mid-range shove for daily driving applications.

Peugeot claims a 9.9-second acceleration to 62mph in the manual car.

Retailers should be able to sell the 208 on its low running costs, whether customers are considering a combustion engine or the zero emission e-208 EV.

The petrol line-up ranges from 93-108g/km of CO₂ across its broad spread of power outputs and gearbox choices, while the diesel offers 84-92g/km.

The diesel is a hard thing to recommend, though, due to the relatively inert way it deploys its power and the fact that you can get broadly the same emissions from the cheaper petrol car.

Of course, the best choice for tailpipe emissions is the e-208. Its 50kWh battery and motor combine to deliver 136PS and 211 miles of range.

Expect this to dip if you want to regularly experience the 8.1-second acceleration from 0-62mph.

Whichever 208 a customer chooses to take out of the dealership on a test drive, they can expect agile and alert steering and a ride that felt purposefully firm on our Portuguese test route.



£16,250-£29,650



75, 100 AND 130PS
1.2 PETROL; 100PS
1.5 TURBODIESEL;
50KWH 136PS EV



0-62MPH 8.7-14.9
SECONDS



5SP OR 6SP
MANUAL; 8SP
AUTOMATIC



44.3-71.4MPG
(WLTP COMBINED)



0-108G/KM

Q&A



NICOLA DOBSON,
HEAD OF
PRODUCT,
PEUGEOT

What proportion of the overall annual sales is expected to be EVs?

We expect electric vehicles to make up between 10-20% of the all-new 208 sales mix.

Which of the new trim lines and engine combinations is expected to be the range's biggest seller?

We think our biggest seller will be the 1.2 PureTech 100 six-speed manual in Allure trim. This will be closely followed by the 1.2 PureTech 130 eight-speed automatic in GT Line trim.

For customers walking into a Peugeot retailer, which changes to the new 208 are likely to make most impact?

The all-new 208 features a large chrome grille, which becomes body-coloured on the electric version, with signature 'three-claw' LED headlights. The front vertical daytime running lights, which also act as the vehicle indicators, add to the distinctive look,

giving the impression of a lion's tooth. The distinct rear of the vehicle features a gloss black strip connecting the LED 'claw-effect' lights, with the iconic Peugeot lion sitting above this in the centre. The interior benefits from the latest evolution of the i-Cockpit, featuring innovative three-dimensional hologram technology that puts information closer to the drivers' field of vision to highlight potential hazards.

When were retailers first introduced to the car and when were they trained on the new technology it offers?

Our dealer network has received two separate allocations of virtual training, prior to our reservation and open-for-order activity. Key dealership staff were hosted in Amsterdam to experience the all-new 208 and e-208 in person. Following this, full in-class training and test drives will commence at the end of November and will run until mid-December, with dealer vehicles arriving in UK showrooms in January.

Is there anything new/innovative about the way the new 208's marketing campaign will be conducted?

We have a lot of exciting ideas that we are working on that will be revealed in due course.

≈ KEY RIVALS



Ford Fiesta

✓ RIDE AND DRIVING
DYNAMICS, PERKY
ECOBOOST ENGINES

✗ NOT THE BEST
VALUE OR
MOST SPACIOUS



Volkswagen Polo

✓ CABIN QUALITY,
INTUITIVE
INFOTAINMENT

✗ PRICEY, NOT THE
B-SEGMENT'S MOST
DYNAMIC STEER



Renault Clio

✓ INTERIOR/BOOT SPACE,
STANDARD SAFETY
EQUIPMENT

✗ SLOW AND
UNINTUITIVE
INFOTAINMENT

That could become an issue in the UK, particularly in sportier GT and GT Line cars.

In terms of noise, though, it feels quite refined, with little wind whistle and quiet engines, particularly the virtually silent EV.

Elsewhere, comfort levels are good in front, but there is not a huge amount of leg or head room in the back.

The boot is a middle-of-the-road 311 litres whether you pick a conventional engine or the EV – more space than a Fiesta, but less than a Clio.

So will customers be lured away from the

Ford Fiesta or Volkswagen Polo and into a new Peugeot 208?

Well, the last iteration was a proper return to form for Peugeot, with a broad appeal and unconventional looks that were instantly recognisable.

This 208 builds on that with an enhanced technology and driver assistance package, plus an all-electric model, and offers a style that none of its rivals can match.

It certainly looks more orthodox, but still manages to stand out in a world where car design seems to be rapidly converging.

TOM SHARPE

ADVERTISING FEATURE

Daily valuation intelligence for the remarketing sector

By Dene Jones, chief marketing & data officer, BCA



BCA has introduced daily valuation intelligence to ensure buyers and sellers are fully informed and in tune with the actual market conditions.

BCA Valuations predicts the final hammer price on vehicles sold at BCA and uses fully automated machine learning algorithms to calculate fair and unbiased valuations, based on 200 distinct data points across 5 million real transactions.

With the used sector providing the best profit opportunities for retail dealers and the steady rise of 24/7/365 trading in used vehicles, monthly price adjustments no longer meet the needs of our customers. BCA Valuations is the only service that reflects remarketing sale values in real time, using a range of insight, including cosmetic and mechanical condition, colour and equipment.

When market conditions are changing quickly, it is not enough to make overall headline adjustments to prices, as the relationship between different vehicles can change daily. Therefore, all our pricing relationships are re-evaluated every night. We use sophisticated machine learning techniques to reduce fluctuations resulting from one-off transactions, which means BCA valuations are robust and based on real-time market conditions.

Better informed and more technology-literate consumers are pushing dealers to be more transparent in the sales process. More often than not, a car buyer arrives on the forecourt with a valuation for their own vehicle and a target price for the car they wish to purchase. This makes the ability to value used cars accurately even more critical to trading profitably.

BCA Valuations is game-changing for the remarketing sector and means both buyers and sellers are aligned to actual, real-time market sentiment.

■ Log on to bca.co.uk or call 0844 875 3480.



MAZDA6 TOURER 2.2D SE-L LUX NAV+

REPORT
PROGRESS



HOW HOT HANDS GIVE SALES STAFF A CHANCE AT A WINTER 'WALK-UP'

Now that the morning frosts have set in, I am getting even more warm feelings about the Mazda6 Tourer I have been using for the past three months.

This is largely due to the heated steering wheel and heated front seats that come as standard on our model. The steering wheel, in particular, takes just seconds to warm up if I hit the on button immediately after the engine's ignition. The seats take a few minutes, but still ensure the driver is comfortable well before the car's heating system has had time to properly warm up the cabin, which takes a good 15 minutes in my experience.

For Mazda dealers with an SE-L Lux Nav+ on the demonstrator fleet this winter, there is a great opportunity to encourage customers who are enticed by the strong offers on the entry SE-L Nav+ trim level to 'walk up' into the next grade car and let them feel very cosy about their decision.

I recommend that when accompanying on test-drives in a car that's cold, Mazda's sales executives must make sure they tap that switch to demonstrate the benefits of this simple luxury to the prospective buyer. For £1,400 difference, or less than £25 per month on a three-year PCP, they can get the better spec model, which also comes with a reversing camera and leather trim for added value. **TIM ROSE**



IT'S WARM AS TOAST



THE LIGHT IN THE BOOT COULD BE BRIGHTER

CURRENT
MILEAGE

4 0 3 2

START
MILEAGE

0 6 0 6



PRICED FROM:
£29,195



2.2-DIESEL, 150PS



0-62MPH
10.2SECS, TOP
SPEED 130MPH



6SP MANUAL



46.3 MPG



CO2 EMISSIONS -
119G/KM (WLTP)

GUESS THE CAR COMPETITION

THIS MONTH'S WINNER



Sam Ripley, group sales director of Dumpton Park Nissan, correctly named the Aston Martin Cygnet in last month's issue.

NISSAN QASHQAI TEKNA

REPORT
PROGRESS



WHO NEEDS ADS WHEN QASHQAI'S SOCIAL COMMUNITY IS SO VOCAL?

When driving a car for any length of time, you become sensitive to its appearances around you – either in real life or in the media – and it struck me recently that I hadn't seen an ad for the Qashqai for a while.

I Googled 'Nissan Qashqai adverts' and there was nothing UK-based in terms of video advertising, paid ads from Bristol Street Motors, linking to its new car deals page and Nissan GB to an online test-drive booking form.

Then I moved to Facebook. Nissan GB is currently focused on the 2019 Juke, but there is an occasional post about the Micra, the X-Trail winning *The Sunday Times* award for dog-friendly car of the year, and even the Navara. Among these was one, rather cryptic, Qashqai post, 'Why turn when you can click?', promoting the ProPilot safety features.

The response to that post, however, is telling. In a little more than two weeks, there were 73 comments and four shares, the majority extremely positive ("Great cars, brilliant engines"). And Nissan GB responded to all comments, good and bad.

There are also two Nissan Qashqai owners' pages on Facebook. One is private, the other has owner pictures and mostly comments along the lines of 'love it'. And noting that this page has 39,861 likes and more than 40,000 following it, my issue with the lack of overt advertising is put in its place, by the power of owner-generated, free, marketing. Vive la difference.

JEREMY BENNETT

✓ THE VARIETY OF SAFETY FEATURES ON THE CAR

✗ THE LACK OF OBVIOUS MARKETING ACTIVITY

CURRENT
MILEAGE

1 2 5 0 5

START
MILEAGE

1 5 0 0



PRICED FROM:
£28,925 (OPTIONAL
EXTRAS: GLASS
ROOF PACK £450)



1.5 DCI 115 DIESEL



0-62MPH IN
10.9 SECS, 126MPH
TOP SPEED



6SP MANUAL



74.3 MPG
COMBINED

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, December 6.



ADVERTISING FEATURE

The best way to improve results

Second-face every customer – 100% of the time, says Simon Bowkett of Symco Training



What's the most important thing that you can do as a sales or business manager to dramatically improve results in your dealership? In my view, it is second-facing every customer who comes into your business – every single time.

Check out my new sales training video on the AM website this month (www.am-online.com/symcotraining, or at www.symcotraining.co.uk) this month for some practical tips on how to second-face better.

First of all, it's important to praise your salesperson. Tell the customer, for example, that he or she is "working really hard for you, getting me to phone a few more independent buyers. He tells me you're hoping to get £4,500 for your car. I don't think it's going to be feasible, how flexible can you be?"

Word track

With this type of conversation, I like to end it something like this: "Mr Customer, let me share this with you. We all buy cars from exactly the same place – [name of manufacturer]. We all buy at exactly the same price, and we've all got the same restrictions. What I mean by that is, any price that we can do, one of my competitors can do too, and vice versa. So I think what you're really driving at is, are you going to get that deal you're looking for from somewhere else? I really don't think you are. Why would I let you walk away, knowing you could achieve that deal from one of my competitors? It wouldn't make any commercial sense!"

And then leave it with the customer to ponder.

Haven't got the time?

That's just one idea. There are many others you can try. But what's important is that sales managers, business managers and even dealer principals get out there and second-face every customer. Not only will you close more deals, you will get more profit in them, too.

I often hear sales managers in the dealerships I visit saying they haven't got time to second-face. But the reason they haven't got the time is because they're not second-facing in the first place! What I mean by that is, if you second-face more, your salespeople will learn how you close your deals, and then they will start closing more deals themselves.

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/freetrial and start your free trial today.

DEALER GROUP BOSSES SUFFER 14.5% DROP IN PAY IN 2019

Reduction in new car sales hitting commissions and incentives, says BDO

The average pay of chief executives and managing directors at UK car dealer groups fell 14.5% over the past 12 months, to £211,000, according to the latest BDO Motor Salary Survey.

Decreases were recorded across many areas of the industry, with chief executives leading the fall, followed by a 12.6% drop among dealer principals, to £97,000.

Finance directors bucked the downward trend, with a 17.8% increase, to £178,000 on average. The average dealer staff pay package, excluding management positions, fell by 3% to £40,000.

It's the first time in five years that average pay for staff outside executive positions has dropped. BDO said the fall can be explained by a 9% reduction in commissions and incentives.

Steve Le Bas, BDO Motor Retail partner, said: "With the challenging trading climate

for dealer groups across the country, it is perhaps no surprise we have seen a fall in the average pay. This has particularly been felt in the level of commissions and other incentives being paid to employees."

The data, compiled from groups and companies that together operate 425 dealership sites across the UK, covers 29 dealership positions in all departments and includes two new positions – IT manager and marketing manager.

Le Bas said salaries have persistently increased over the past couple of years as a result of living wage increases and a labour market reaching 'full employment'.

However, he said the decreases this year are a direct result of dealers' squeezed margins and declining new vehicles sales.

Le Bas said dealers should monitor and consider the effect of the increased national living wage on their businesses. The rate is expected to increase by 6% in

April 2020, from £8.21 to £8.70 an hour.

Le Bas said: "Our expectations for the coming year are for further stagnation as a result of the continuing difficult market conditions and the prevailing general economic and political uncertainty.

"It will also be interesting to see if we start seeing a shift towards higher basic pay and lower commission structures as groups put a greater focus on selling online, potentially meaning less need for commission-based salespeople to 'make the sale', and the retention of staff."

Average salary by department / region

The average base salary for all positions surveyed was £36,035, down 2.6% YoY, with a further £15,259 from commissions and benefits (down 11.6%).

Overall department salaries in parts, administration and vehicles all decreased, by 8%, 5% and 3% respectively.

The service department was the only one to remain flat year-on-year.

The decrease in the vehicle department salaries would have been 6% if not for the increases in the average salary of F&I managers.

There are large differences in salaries in different parts of the UK – average pay in London is 24% ahead of the national average, with the north of England and Scotland 15% below.

The South and Midlands fell in the middle of the two. These averages exclude management positions.

The average number of hours worked by an employee per week was consistent YoY, at approximately 41 hours.

Le Bas said: "Employee costs continue to be the largest expense in any dealership. With margins under pressure, expense management is critical to sustained profitability." **TOM SEYMOUR**

Position	2019	2018	2017
MD / chief executive	£211,000	£274,000	£207,000
Finance director	£178,000	£151,000	£144,000
Dealer principal	£97,000	£111,000	£104,000
Department	2019	2018	% change
Vehicles	£57,000	£58,750	-3%
Parts	£27,500	£30,000	-8%
Service	£32,750	£32,750	0%
Administration	£30,500	£32,000	-5%
Region	2019	% to average	
North and Scotland	£33,934	-15%	
Midlands	£36,370	-9%	
London	£49,586.00	24%	
South	£38,818	-3%	

RESOURCES

BDO MOTOR SALARY SURVEY

The full version of the report is available to survey participants, but a breakdown can be found at am-online.com/salaries. To take part in next year's survey, go to: www.bdo.co.uk/en-gb/insights/industries/retail-and-wholesale/motor-salary-survey

MORE THAN A PAY PACKET

Jobs website Indeed conducted a survey with the British Chambers of Commerce (BCC), which found that training, a healthy work-life balance, job flexibility and team structure are important elements to consider when thinking about remuneration. am-online.com/PaySurvey

EXECUTIVE PAY IN THE FTSE 100

Motor retail is not the only sector where executive pay has suffered double-digit falls. The Chartered Institute of Personnel and Development's review details how the top 100 companies in the UK reward their most senior executives. am-online.com/FTSEpay

TALENT ON THE MOVE



**SARAH MARTYN
& PETER WALKER,
HENDY GROUP**

AM100 car retailer Hendy Group has appointed Sarah Martyn as HR director and Pete Walker as group service director as the company marks its 160th year in business.

Both join its operations board alongside chief operating officer Simon Bottomley.

Walker was previously group operations director for service, parts and quality at Westover Group, which was acquired by

Hendy in March this year.

He started his career with a Midlands dealer as an apprentice technician, then joined Westover in 2004.

Martyn has joined Hendy after 19 years as director of Interim HR Consulting, during which she assisted a range of sectors, including energy, telecoms and communications, on projects related to employee engagement, performance management and change management.



**CHRIS WISEMAN,
MANAGING DIRECTOR,
WESSEX GARAGES**

VT Holdings has promoted Chris Wiseman to managing director of Wessex Garages, following the resignation of its long-serving leader, Keith Brock.

Wiseman has worked alongside Brock for the past 22 years in a variety of roles at Wessex, including operations director and latterly deputy managing director.

Japanese automotive group VT Holdings bought Wessex Garages in 2016 from founder and chairman

Steve Patch, who, with Brock, grew the business from one site in Bristol to an AM100 group with more than £150 million annual turnover from sites in Wales and south-west England.

Wiseman said: "We are in a strong position to prepare for the next phase of growth with a clear business vision, based around the retention and engagement of our tremendous teams while building on the key foundations and historical success."



**SEPI ARANI,
HEAD OF OEM,
CARWOW**

Carwow has hired Sepi Arani as its new head of OEM, 10 months after Audi's former future mobility operations manager had joined peer-to-peer car-sharing provider hiyacar.

Arani will develop carwow's OEM proposition through media, data and technical integration with brands and UK captive finance houses. He'll report to Hasan Nergiz, director of OEM.

At Audi, Arani launched its mobility brand, Audi On Demand.



**DANIEL CROSS,
HEAD OF RETAIL,
LEVC LONDON**

The London Electric Vehicle Company (LEVC) has hired veteran AM100 group manager Daniel Cross as its new head of retail at LEVC London, its flagship dealer.

LEVC said Cross spent his whole career in motor retail, holding dealer principal roles at franchises including Volkswagen, Jaguar, Land Rover, Aston Martin and Porsche. He has run premium dealerships for Inchcape, Cambria Automobiles, Jardine Motors and Pendragon.



**ANDY SMYTH, CHIEF
OPERATING OFFICER,
MOTORPOINT**

Motorpoint, the UK's largest independent car retailer, has hired Andy Smyth as chief operating officer. He joined from JLA, a supplier of commercial equipment and services to businesses.

Smyth has previously been head of operations at British Gas and head of the Scottish Government's Energy Assistance Programme. He will be based at Motorpoint's new headquarters, named Champion House, at Pride Park, Derby.

AM AWARDS : 2020

Welcome to this year's AM Awards sponsors

Preparations for the 2020 AM Awards are well under way. Plans have been drawn for the set design and production highlights for the event, which takes place at the Birmingham ICC on February 13, 2020.

There are 24 award categories, plus the Business Leader of the Year award and an induction into the AM Hall of Fame for a business leader who has made a considerable impact in motor retailing during their career.

Categories are available for sponsorship, allowing suppliers to gain the publicity and exposure of being associated with the highlight of the industry calendar. This year:

Carwow is sponsoring the Manufacturer of the Year category

CDK Global is sponsoring the Bright Spark award – best dealer employee

We are delighted to receive the support of both companies for these two key award categories at what promises to be an industry highlight of 2020.



For more information on the AM Awards, including the sponsorship packages still available and details of how to book tables, go to www.am-awards.co.uk

Give aftersales customers 'Amazon' levels of service

There is a real lack of drive in the automotive sector to deliver the same online, customer-centric technology that can be found in so many other sectors now. It's our goal to change that," said Iain Nickalls, director at eDynamix.

His company was formed in 2010, initially providing service plans, but Nickalls said it soon became apparent that to deliver ultimate efficiency for retailers in aftersales, creating a solution that encompassed all daily aftersales processes under one login was "a necessity".

"We want to eliminate the silos of information found in so many car dealership systems and help retailers to provide a platform where customers feel like they are using one, dealer-branded system, rather than being signposted to different platforms run by different providers."

Within a few years, eDynamix offered Service Plan, iVHC, a service and MOT CRM system, and its own video platform.

More recently, it has developed lead management and digital marketing solutions to support amber service reminders and sales enquiries, web-based stock (Stock Master) and sales (Sales Desk) management applications, and online service bookings direct to a retailer's DMS.

“WE WANT TO HELP RETAILERS TO PROVIDE A PLATFORM WHERE CUSTOMERS FEEL LIKE THEY ARE USING ONE, DEALER-BRANDED SYSTEM”

IAIN NICKALLS, EDYNAMIX

New for 2019, its AutoPoint Lockers offer increased convenience for more time-pressed aftersales customers, while individually tailored service plan bundles have embraced the perceived shift towards subscription and mobility solutions by incorporating roadside assistance, vehicle insurance and extended warranties.

Now, eDynamix is preparing to streamline all its systems under its recently developed Web Master platform, linking all of these tools via a customer-facing website platform for car retailers.

Nickalls said: "The platform includes a

fully brandable front-end customer view and integration with all these tools. It means that retailers no longer have to worry about third-party plug-ins, because we supply all the systems.

"Of course, we're not big-headed or naïve enough to think that dealers will immediately adopt all our systems – there are different long-standing relationships and contracts to think about – so they can integrate the system with whoever they like, but it is great to be able to offer that full solution."

Nickalls said open integration, accessibility and simple usability by dealership employees have always been central to eDynamix's philosophy. Earlier this year, it joined the CDK Global Partner Program to offer greater flexibility to its clients.

Integration has also been achieved with a number of industry data providers, such as the DVLA, DVSA, VOSA, Auto Trader, Glass's, Cap HPI, TPS and MPS.

In its development from a service plan provider to a full aftersales, sales and lead management provider, Nickalls said the aim was always to facilitate dealers' ability to manage a customer throughout the service life cycle.

Research conducted by eDynamix found that for a dealer to deliver its best possible performance, then clean, accurate data was needed.

Data from 10 dealer groups showed that 51.7% of customer records had a missing or incorrect MOT date, hampering the potential for retention-driving service or MOT reminders.

Nickalls said: "In more than 41% of





records, the MOT date quoted was incorrect by more than six months and in 8.2% of cases the vehicle had actually had an owner change, meaning that any reminder was a complete waste of time."

Once the data is accurate, Nickalls added, then each of eDynamix's aligned systems can step into gear.

Customers can book their service or MOT online, via eDynamix's online booking system, using a link from an automated reminder that can be sent via email, SMS or direct mail.

If customers choose to use a dealership's AutoPoint Lockers – already successfully trialled by Volkswagen retailer Parkway Motor Group – the system will issue a unique QR code for an assigned locker.

When the customer arrives at the dealership, they can then access the secure locker using the code, before using the iPad-based iVHC Digital Reception (DR) module to check in their vehicle. This alerts staff that the vehicle is on site.

On completion of the vehicle health check using the iVHC system, the customer can view their report online, with supporting videos and photographs taken through eDynamix's VIDEO1st platform, authorising and paying for the work at the same time.

If customers do not have a service plan, dealers can send them a link, offering the opportunity to configure and take out a plan online before they return to collect the vehicle.

During the check-out process using iVHC DR at the AutoPoint module, customers can also book future amber work through an internal version of online bookings, or opt for a new 0% APR payment plan that allows aftersales invoice payments

to be made in monthly instalments.

Nickalls said the next development of the aftersales platform will add augmented reality to illustrate the red and amber reminders during a technician's video tour.

He believes such technology will help to move the automotive retail sector into an age in which customers have started to expect 'Amazon-like' levels of customer service.

Speaking to *AM* earlier this year, Nickalls said: "Sure, you can have a new car delivered to your door now, but aftersales is lagging behind the curve and that comes down to many legacy and disparate systems. It's about bringing those things together, into one platform, for both retailers and consumers."

In fact, it was Amazon that drove the

development of eDynamix's own AutoPoint Lockers. Nickalls said: "With other similar systems out there in the market, you have to put your keys in an envelope and write on it, but ours is fully automated and mechanical. The idea came from Amazon lockers."

Among the other new initiatives from eDynamix is the Sales Desk marketing platform. Fully integrated with Auto Trader, it allows retailers to coordinate their advertising efforts and respond to sales enquiries with photo and video assets.

The new Stock Master system, meanwhile, adds a level of scrutiny and tracking to retailers' group stock in an attempt to drive stock turn and profitability.

The workforce at eDynamix has had to grow in line with its enhanced service offering and headcount has risen by more than 30% in 12 months. The business, which started with three members of staff, now employs 111.

A new, purpose-built office and an academy training 10 future staff are part of the plan to further boost eDynamix's resources from its current 80-strong support and development team.

Offices in Northumberland and a new UX (user experience) centre in Derby are central to the dealer-facing operation, with account managers supporting retailers directly.

Nickalls said: "At the moment, our aim is to continue to develop our working relationships with the clients that we have."

"With the new systems and the benefits we can bring to businesses, there's plenty of opportunity for us and we cannot wait to help more retailers realise the full range of benefits presented by a fully integrated eDynamix system."



Call us on 0845 413 0000, visit www.edynamix.com or email enquiries@edynamix.com

EIGHT QUESTIONS TO AN...

OPERATIONS MANAGER

Nic Brayley, Devonshire Motors



What are the main responsibilities of your role?

BRAYLEY: First and foremost, my main responsibility is to ensure customers receive the level of service they expect, whether they visit, call, or make a digital enquiry. Within that, there is an awful lot of detail and process management, as first impressions involve a lot of channels and a lot of different expectations. I work closely with all our teams, including administration and valeting, so that, as a business, we are a single unit all pointing towards the same overall goals. So many dealership processes are inefficient as they pass from person to person and department to department. We have a unique and dynamic structure that involves far fewer people than a traditional set-up, but, as a result, our processes have to be micro-managed.

What are the most significant challenges ahead in your field of work?

BRAYLEY: Ensuring that our customers who choose a digital path get a joined-up experience when they visit the dealership. We are seeing less and less showroom traffic and with more of our business coming from digital channels, we have to adapt to the changed expectations that brings. Also, to continue to evolve service levels so we retain the customers we worked so hard to win in the first place. Our managing director is keen to remind us that lost customers cannot be replaced with new customers on a 1:1 basis, so we are constantly trying to improve our communication and feedback mechanisms to ensure that what we do is what the customer wants.

How might these challenges be overcome?

BRAYLEY: With my role in particular, it will involve better communication between each team. One of the things we have already done is to centralise our administration, CRM, hosting and lead management so everything is handled by one group of people. This allows us the benefit of the same people handling walk-in, web or phone-based enquiries and then all sales and aftersales contact after that. Having core responsibility for so many unique events means customers really get to know and trust us, plus the exchange of information isn't slow or departmentalised.

What attracted you to this area of expertise?

BRAYLEY: I've been in the motor trade since I was 16. I started as an apprentice in 1996 and from day one I

was fortunate to be surrounded by a great team who had a wealth of knowledge and experience behind them. The senior management team were well versed in the motor trade, which gave me an interest in progressing. I've had a lot of experience, both main dealer and in the independent sector, and that has given me a good base to understand people and processes, which is what my current role is based around.

What's the most important thing you've learned in your career, and how have you made use of it at your company?

BRAYLEY: To listen and be like a sponge – every day is a school day and you learn so much by listening to what's going on around you. Being able to absorb information from everywhere in the business means you are able to make much better decisions, and this is vital to our success with a centralised and flat structure. **TOM SHARPE**

QUICK-FIRE QUESTIONS

What drives you?

My desire to progress, adapt and evolve to be better than I am already. At the same time, it is very important to me to be a good person and to be considered as someone who does a good job by my employer, colleagues and peers.

What's your favourite app?

This has to be Facebook, which is I think part of most people's lives these days.

How do you relax?

Relaxing is something that doesn't come easy to me, but when it does it's usually spent with my family walking the dog at one of our local beaches, which also lets the children burn off some energy at the same time. We are getting into cycling as a family as we are blessed with some fantastic cycle routes. They run along the coast, giving some amazing views while being a safe ride route.

AM

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THIS MONTH'S QUESTION TO THE AM TEAM:

What's the most useless thing you own?

EDITORIAL

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► **A Basset Hound? But she is gorgeous**

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► **A cross trainer. Used it once, now it's a clothes hanger. Get outdoors!**

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► **My books, as I rarely have time to read them**

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► **A repointing gun that either clogs or leaks**

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► **A brass Zippo – I quit smoking a long time ago**

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► **Scatter cushions**

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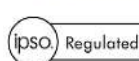
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Welcome to this year's AM Awards sponsors

Preparations for the 2020 AM Awards, which takes place at the Birmingham ICC on February 13, 2020, are well under way.

There are 24 award categories, plus the Business Leader of the Year award and an induction into the AM Hall of Fame for a business leader who has made a considerable impact in motor retailing during their career.

Categories are available for sponsorship, allowing suppliers to gain the publicity and exposure of being associated with the highlight of the industry calendar. This year:

LTK Consultants is sponsoring the Best in Customer Service category

For more information on the AM Awards, including the sponsorship packages still available and details of how to book tables, go to www.am-awards.co.uk

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Advertising feature

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It is great to have cheap prices, but if this results in no valeters turning up on site or non-existent account management or support, what are you actually paying for? Even worse, it could even cost you in lost vehicle sales.

With our specialist operational coverage, we create efficient workflows with transparent financial control. The Autoclenz PVMS (Paperless Vehicle Management System) is the ultimate tool in controlling the movement of your stock through the valet, preparation and imaging process, while

controlling the spend. PVMS is live, showing jobs awaiting, progressing and completed through the valet bay.

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Autoclenz is best known for its vehicle valeting services, but there's a complete end-to-end vehicle preparation solution on

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Join our blue-chip client list

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Contact Martin Peters, sales director of Autoclenz, on 01283 554 682,
email: sales@autoclenz.co.uk or visit: www.autoclenz.co.uk



AM AWARDS : 2020

February 13 2020 : The ICC, Birmingham

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