

# Culture club



KEEPING IT LOCAL: Peter Smyth outside Swansway's newly opened multi-franchise site in Chester

All of the manufacturers want your attention, but the culture we already have across the Swansway Group is acceptable to all our franchises. Caring, honest and proud, happy staff give good customer service. This is a culture no manufacturer would disagree with whether they are Bentley, Bugatti or Fiat. After that it's more about the process. To become proficient with any brand you need to have a complete in-depth knowledge of that franchise.

**Is this particularly true of Alfa Romeo?**

None are more enthusiastic customers than Alfa Romeo owners. We have a lot to learn about our customers and their requirements, but they are clearly very passionate about the brand.

Fiat customers tend to be young and very much payment-led. Alfa Romeo owners are more quirky, you need to strike up relationships with the local owners' club. It's a bit like Harley-Davidson in motorcycles.

## A positive customer-driven culture is central to Staffordshire-based Swansway Group and the new multi-franchise centre it has opened in Chester

Andrew Charman

It's all go. A year ago Motor Trader was shown around Swansway's brand-new £6.1m Stafford Land Rover dealership. Next month construction begins on a Jaguar dealership in Crewe. It is a build that coincides with the official opening of the new £4.3m multi-franchise centre in Chester representing Fiat, Abarth, Jeep, Alfa Romeo, Citroen and DS.

Swansway now represents Abarth, Audi, Citroën, Fiat, Honda, Land Rover, Peugeot, Seat, Volkswagen and Volkswagen commercial vehicles and features prominently in the Sunday Times Best Companies to Work For.

Motor Trader visited the new home of Swansway Chester to meet Peter Smyth, one of the brothers running the company, who gave an insight into the group's plans for the future and how it is transforming itself into a digital focused business.

**Why are you investing in this new centre now?**

Seven years ago Peugeot asked us to take on its Chester outlet. After four years' success with Peugeot we attracted Citroën. We leased a site for two years while we found the land to build this centre. We were hesitant to take on Fiat at first, because I'm a great believer in focus. But then I was told of the journey the brand is on. I thought of Fiat as a one-car franchise with the 500 but was shown Jeep and Alfa Romeo, a good spread of products. So we agreed to take a leap of faith with Fiat as a partner. We now have Fiat, Abarth, Jeep, Alfa Romeo, Citroën and one of the first DS salons in the UK.

**What are the benefits and challenges of running a multi-franchise business?**

There are cost savings, a shared parts department, warranty clerk and administration. But you also need specialisms, two service managers for example, for the Citroën and Fiat groups,

**FACTFILE**

**Swansway Chester**

**Established:** Peugeot 2010, Citroën/Fiat 2014, current premises April 2016

**Brands:** Citroen, DS, Fiat, Abarth, Alfa Romeo, Jeep

**Location:** Chester

**Ramps:** 13 (including two MoT bays)

**Staff:** 34, 17 in aftersales



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## PERSONALFILE

### Peter Smyth

**Position:** Director,  
Swansway Group

**First job:** Trainee salesman,  
Lex Mead Bolton Austin Rover dealer

**First car:** Toyota Corolla

**Current car:** Audi RS7

**Newspaper:** "Don't read one"

**Film:** Forrest Gump

**Book:** Leading by Sir Alex Ferguson

**Best business decision:** Family buying LC  
Charles to form Swansway Group

**Worst business decision:** Family buying  
into the mobile phone revolution when they  
first appeared as car phones

**Downtime:** Gym, skiing

**Gadget:** iPhone



Getting such things right will enable us to drive more retail work through our aftersales department. All dealerships talk about growing aftersales but much quoted work is internal. It is far easier for a workshop manager, especially if they charge the sales department the full labour rate, to do a PDI or a used car check than to work on a customer's car. PDIs and used car checks are not real money, they are generated by the sales department.

#### Is your marketing dominated by digital now?

Absolutely, we make much use of smart mail for example. Email capture is happening right across the retail industry now. I shopped in Selfridges yesterday and I was offered an email receipt on every purchase. It's highly effective. We have a marketing department, a web team and a full-time social media person working across all formats, Facebook Twitter and Instagram.

#### How are you finding recruitment?

It's unbelievably difficult. Managers that come in with previous experience can struggle to adapt to our culture. Recruitment is our biggest challenge and we haven't yet cracked the best way to do it. Sales graduate schemes we've run with a training company have been very successful, partly because we didn't allow the trainees to sell a car for six months but paid them a salary during that time, so ensuring they were fully trained. Too many businesses throw new staff straight into sales without training them first.

#### How do you feel about the used market?

It worries me. In quarter one a brand-new Audi A4 was £165 a month with six payments down plus VAT, so why would you want to buy a used car? Yet used prices are holding up well, I don't quite know why. There could well be an adjustment there. Used sales are vital and becoming more important as we sell more cars for less margin. We still have to maintain a return on sales so we have to look at other avenues.

#### How is 2016 shaping-up compared to last year?

Last year was good. We made a pre-tax tax profit of £6.5m, £350,000 up on the year before. Q1 this year started very well and while April seems to have been a little flat, I'm looking to exceed our 2015 figures this year. This centre, however, is a new overhead. I won't expect it to make a profit this year; 2016 will be about consolidating, getting the right people in to go forward in confidence with the brands here. 

## Developing the best business model for customers



**Mike Macaulay** National Sales and Development Manager, AutoProtect

**I**t's refreshing to read Peter Smyth's observations on the importance of people, both in recruiting and retaining the right staff and in developing a business model and culture to reflect customers' needs.

Manufacturers have invested heavily in developing a distinctive brand proposition and I believe that it is entirely appropriate that dealer personnel reflect that brand ethos in the way in which they engage with customers.

The risk of a 'one size fits all' approach is that opportunities to delight the customer and make appropriate incremental sales can be missed.

Peter refers to a rise in finance sales because of FCA regulation, which in his business has seen finance integrated into the sales process. We see the same outcome for GAP sales.

Sales personnel who are better trained, more confident and aware of the nuances between GAP products are happy to engage in an added-value sales dialogue.

By actively listening to customers they often pick up the cues that can enable them to help customers to discover and buy a product that will enhance their car ownership. The same thing is true for paint protection and extended warranties.

It can be all too easy to become obsessed with price, yet consistently there is no getting away from the value of high quality service.

In the customer journey it is people; face to face, on the phone and digitally whose attitude and aptitude makes the big difference.

As Swansway has found, a winning culture is central to a winning business. At AutoProtect, our success is exactly the same; it is all about our capacity to help our dealer customer to succeed.

#### How big does Swansway want to become?

We are very conscious of maintaining the family feel of the business. We're building a new Jaguar dealership on a green field site in Crewe. If you have Land Rover now you really need to have Jaguar too. In terms of profitability Jaguar hasn't been in a good place but I think it will be with superb products such as the F-Pace. Overall, we want to expand but we have no aspiration to be in the billion pound turnover club. Our turnover this year will probably approach £500m and we are proudly and fiercely privately owned. We would never look to sell, or to take the company into public ownership.

#### What forms will that refinement take?

A classic example is the quality of data. In an average dealership it is horrendous at worse and pretty bad at best. We have spent a lot of time and focus over the last 12 months ensuring we record the right data, the customer's name, address and most importantly these days an email address.

We've looked at all our processes, to ensure data on when a car is next due for an MoT or service for is accurate. We have had situations in the past where we have sold a used car to a customer and three weeks later sent them a service reminder for it. The customer questions whether we serviced it before selling it as used and we lose our credibility. That happens in all dealerships all over the country.

Isn't it better when you can measure your success? At AutoProtect we work hard to understand your goals and the way you work, so the added-value products we know you'd like to offer your customers can be integrated with your approach and customised to fit. Add our sales support and training, plus AutoProtect's sophisticated IT systems – giving you up to the minute management information and sales reporting – and you have a powerful set of tools in your hands.



For more on how we can help you grow your revenue and measure your profits, call Mike Macaulay on 01279 456600. Alternatively email us at [sales@autoprotect.co.uk](mailto:sales@autoprotect.co.uk)