Our industry needs a plan to survive the post-Brexit world

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Our industry needs a plan to survive in a post-Brexit world

By Professor Jim Saker

Health and sanity warning: I am writing this column two days after the result of the European referendum was declared. By the time you read this, you will either be bored to death of the subject, worried sick about your financial future or bemused by politicians falling out with each other.

Figures from Google showed that immediately after the UK voted in favour of Brexit, a vast part of the population went online to find out what it was they had actually voted to leave.

One of the most pressing issues of the whole debate was the demographic data behind the Leave and Remain voters. It appears that young people and educated people mostly wanted to stay, geographically, so did Scotland, Northern Ireland and London. Those who wanted to leave were generally the old, the uneducated and those not living in London. Although this is a generalisation, the data does seem to divide the nation into these types of age- and education-related groups.

Motor retail bucks the Brexit demographic trends

What is fascinating is that, as usual, our sector does not appear to reflect attitudes in the general public.

In a pre-referendum survey by Dealerweb, the majority of sales staff and managers were looking to vote leave. By the nature of the sample, their average age would have been fairly young. By comparison, an AM poll of senior managers, who we can assume were older, found they were in favour of staying in the EU.

There may be a number of reasons behind this, but an obvious one is that younger dealership staff have only worked under the European Block Exemption rules (BER). Some older members of staff can remember a world of postcode-based market areas and manufacturers’ restrictions.

As I have said many times, Brexit would really hand power to the manufacturers in the supply chain relationship. What they choose to do with that power is not known. Nor is it known how any future government will legislate within our sector.

One thing is sure – the industry needs to agree what it wants in this new environment. It would be unwise for us to sit back and allow politicians to make the decision for us. What industry structure do we want to have? Do we want to keep within the frameworks that already exist or do we want to radically change the business model?

Currently, the BER means manufacturers are obliged to offer technical information to the independent sector. Is this something the manufacturers will lobby to stop? So more business can be driven through their franchised network? The industry needs to get its act together and attempt to map out its own future. Do we want to go back to market areas? If so, organisations such as carwow would have to radically change their offering or go out of business.

Like the political parties, there is a need for leadership from the likes of the SMMT and the IMI. For the future of our sector, they need to put a coherent plan forward to whatever Government is in power. We need to have this in place before Article 50 is invoked.

Perhaps the thing that saddened me most about the EU referendum was the quality of the debate that we in the UK seem capable of having.

Even when talking to business people, the issue seemed to come down to economics versus immigration. I didn’t, and don’t, see them as opposites.

There’s no EU in team

I live in Leicester and when Eden Hazard scored for Chelsea against Tottenham, giving Leicester City the premiership title, a loud noise could be heard outside our house. Cars were starting up and people were leaving their homes to head to the King Power Stadium in their thousands.

Leicester is a truly multicultural city that took in a large proportion of Asian immigrants removed by Idi Amin from Uganda in the 1960s. The city has done well despite the loss of much of the hosiery and knitwear industry. Its football club is made up of a multinational group of migrants, who came together as a team and succeeded against all the odds.

The Leicester Tigers Rugby Club is well known and the Leicester Riders Basketball Club won the League and Trophy this year. Working together and embracing diversity has been a major strength for the city. Leicester was one of the few English cities that voted to remain in Europe – how long the football team will last there next season is a different question.

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