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This item was submitted to Loughborough University's Institutional Repository by the/an author.

Citation: SAKER, J.M., 2014. What car dealers can learn from the independent Scots. Automotive Management, April, pp. 59.

Additional Information:

- This paper was accepted for publication in the magazine Automotive Management and appears here with the kind permission of the publisher.

Metadata Record: https://dspace.lboro.ac.uk/2134/25547

Version: Published

Publisher: Bauer Media

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What car dealers can learn from the independent Scots

By Professor Jim Saker

"We've been told not to talk about it," was the reply. For the first time in many years, I was left lost for words — this was an exchange with a Scottish automotive student whose view on Scottish independence I had enquired about.

I am still not quite sure why his company had banned its people from talking about the topic, but it did spark a discussion among the rest of the group. It flagged up that few of us had really thought about the possible implications for the retail automotive sector of an independent Scotland.

Having ascertained that Scotland intends to continue using the DVLA, Driving Standards Agency and VOSA for the immediate future if independence goes through, we concluded that in the short term it may not affect things too much. However, if there were a different business tax regime or currency it may affect the way in which manufacturers behave in the distribution of vehicles.

The conversation broke up and the members of the group went off to their session. I followed behind just close enough to hear a jaundiced comment from an English student: "Well at least if they get independence, it will stop them winning all the big prizes at the AM Awards."

Having been part of the judging panel and having witnessed the detailed process of choosing this year's winners, I was slightly shocked by the comment, but I did recall seeing a fair number of people in kilts go up on stage to receive awards in Birmingham.

I went to the office and looked at the results sheet and concluded that the jaundiced student may have had a slight point. Of the awards that were open to dealers, seven were won by people or groups associated with Scotland.

Those included Best Training Programme, Excellence in Customer Service, Sales Team of the Year, Best Used Car Programme, Best Retail Group (under 10 dealers), Retailer of the Year and Business Loader of the Year.

There was definitely no bias in the judging — I had witnessed that myself — so why had the Scottish dealers done so well? Was it the nature of the people, the organisations or the market in Scotland that makes them as successful as they are in this type of competition?

There has been no research done on this subject that I could draw on and asking people appeared to produce comments that either reflected Scottish pride or scorn from those operating south of the border. I dismissed the claim of one Englishman that there was "little else to do up there so they might as well spend their time entering". The geography of Scotland probably has an impact, with centres of population apart from Edinburgh and Glasgow being quite dispersed. This could lead to heightened competition and increased standards, but this cannot be the full story.

It also has to be acknowledged that there are some strong business leaders in Scotland — Eddie Hawthorne, Andy Greaves and Peter Vardy, for example. These are leaders who have shaped the thinking and values of their organisations. The problem is, I can think of many equally talented people in England and Wales.

Eventually I decided to go back to the AM Awards entry forms and re-read the entries. There appeared to be one common strand that underpinned the Scots' success. There was a willingness to take risks and try alternative approaches, coupled with a desire and rigour in making sure the initiatives were implemented correctly. The desire to innovate and change appeared in all of the businesses that were examined.

At the AM Awards Dinner, John McGuire of Phoenix Car Company (a previous AM Awards winner from Scotland) told me his company was launching a John Lewis-style partnership scheme, with all of the partners sharing equally in the profits of the company. Although not original, this again was a Scottish dealership group trying something different to improve the running of the business.

The scheme had only recently started, but I asked Debbie Hubner, Phoenix's new sales director, what she thought of it. Her reply was interesting. She said a technician had inadvertently left a light on overnight and when he turned up the next morning he was given a frosty reception from the rest of the staff, who complained that he was eating into their profits. Creating a self-regulating team environment that focuses on reducing costs and improving profitability seems like something most people would strive to achieve.

Maybe the desire for Scottish independence is based more on the independent thinking that seems to be generated by the Scots' culture and has led to the nation producing great scientists, explorers, engineers, writers and business people (possibly not bankers).

This independence of thinking appears to have reached a wide spectrum of Scottish life, including their curling teams, but much to the pleasure of those in England appears to have bypassed Scottish rugby and football.

"There appeared to be one common strand ... a willingness to take risks"