

Loughborough University Institutional Repository

Spare me some change (at least for a few months)

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

Citation: SAKER, J.M., 2017. Spare me some change (at least for a few months). *Automotive Management*, Aug 17, pp. 14.

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/2134/31856>

Version: Published

Publisher: Bauer Media

Rights: This work is made available according to the conditions of the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0) licence. Full details of this licence are available at: <https://creativecommons.org/licenses/by-nc-nd/4.0/>

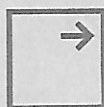
Please cite the published version.

VIEWPOINT



SPARE ME SOME CHANGE (AT LEAST FOR A FEW MONTHS)

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



At any management conference, there is usually at least one supposedly inspiring speaker proclaiming the need to embrace the challenge of change.

They extol the merits of 'change management' and suggest that failing to change has led to the extinction of everything from the dinosaurs to any recently closed company. Most such speakers then put forward their own solution, usually involving anything from a four- to an eight-step process, for successful change.

The problem is that even if the speakers are correct, most of us do not believe it.

In actuality, businesses, and we individuals, don't like too much change. This was highlighted in an article in *AM* in June where motor industry leaders were quoted as craving 'stability' in the post-election period.

The uncertainty caused by a hung Parliament was affecting the way business saw the future, with the BBC reporting on an Institute of Directors poll of 700 of its members, saying that business confidence had sunk 'through the floor.'

I suspect politicians, too, are looking for stability, while they try to sort out this self-inflicted mess.

Last month also brought news of another 'disrupter', with reports that Amazon had begun hiring people from the motor retail sector to explore selling cars online. A press release on the story, from an online courier

company, claimed that "the likes of Evans Halshaw and Bristol Street Motors will be taking a deep breath as it (Amazon) accelerates into the world of car sales". Only Messrs Forrester and Finn can comment on whether the arrival of Amazon has altered their breathing patterns, but I suspect they have more immediate issues to address.

Over the years, many organisations have dabbled in the car market – even the big supermarkets explored it and walked away. Car manufacturers themselves are also moving into direct online sales. Will this market be attractive enough to sustain Amazon's interest?

With so many cars being purchased on PCP, it would be possible for Amazon to become a leasing organisation, but this is very different to its current online sales proposition. Amazon has the resources to buy its way into the market without too much trouble and it could manoeuvre where others have failed. The fundamental question is whether it can add value to the car purchase experience in a way that established manufacturers and dealers cannot.

Only time will tell whether the uncertainty currently felt by many is reflected in the way Amazon views the future.

Our sector has been resilient in facing both uncertainty and change, but, for many, a quiet life would be nice, at least over the next few months.

"ONLY FORRESTER AND FINN CAN SAY WHETHER THE ARRIVAL OF AMAZON HAS ALTERED THEIR BREATHING PATTERNS"