

# Expansion drive for used-car sales firm

By Rebekah Ashby

**T**HE North-East's largest independent used-car supermarket is driving forward ambitious plans to almost quadruple in size and create a £40m business by the end of next year.

Just days after budget motor dealer CarShock collapsed, Newcastle-based Henson Motor Group – which has been in business for almost a decade – is revving ahead with plans for two new car supermarkets in the region, creating 60 jobs.

Henson, which is headquartered on a 2.5-acre site opposite the Asda hypermarket on Whitley Road, Benton, says the move will see it open a showroom near the Tyne Tunnel, North Tyneside, and another on Teesside.

It expects the expansion to boost sales from around £13m currently to £40m by the end of 2008 and grow its workforce from 40 to 100 by the end of this year.

The company, which was founded – and is still run by – joint managing directors David Wilson and John Muckian, who have 35 years' motor industry experience between them, will then turn its attention to fulfilling the final part of its five-year plan – to open two outlets across the border in Scotland.

Mr Wilson said: "We have been working on this expansion for the last two and a half years, we haven't just said 'let's go big' overnight.

"Our financial director [Graham Ord] came along from a blue chip company [Lancaster Group plc] and brought experience with him and we have also put 10 years of hard work into laying down the groundwork.

"Every single motor trader that had been and gone has done so because they want overnight success and it doesn't work that way.

"The motor industry is built on supplying good cars at value for money prices and great customer service but, most of all, on repeat customers."

Henson aims to have the North Tyneside outlet, which will have room for 100-plus cars and will create 20 jobs, within the next three months, with the 300-car Teesside site creating another 40 positions by the end of the year.

The company, which also operates a three-and-a-half acre "preparation site" at Killingworth, North Tyneside, says it is selling cars across the UK via its website. He said: "The internet has changed the face of new and used car sales in the UK. Ten years ago it was almost unheard of for a customer in Surrey or Wales to buy a car here in the North-East. Now it is an every day occurrence. Two more sites in the region will give us the critical mass necessary to maintain our market position."



**NEW BRANCHES ON WAY:** David Wilson, joint managing director of Henson Motor Group.

## ANALYSIS

IT'S now been over a year since Pendragon snapped up the North's most dominant car dealer Reg Vardy for £506m.

Since then, the region's car sector has been motoring along.

It is an industry that has been consolidating for some time but it has perhaps become more polarised by the Pendragon purchase of Sunderland's Vardy.

Now just four national public listed companies remain in the UK motor industry – Inchcape, which

bought European Motor Holdings plc, owners of Mill Garages in this region, in January; Pendragon, which took on the 6,000 Vardy staff and re-branded the business with its Evans Halshaw name; Lookers, the other company that chased Vardy; and the new kid on the block – Newcastle-based Vertu Motors plc.

Just four months after the Vardy sale Sir Peter Vardy's son, also Peter, quietly launched Peter Vardy Ltd in Scotland with the acquisition of Perth

Vauxhall from Autovision of Inverness.

Six months later four of Vardy's most senior former figures announced they had joined forces and had high hopes for their new venture.

In December the quartet were as good as their word and before you could say "Merry Christmas" had floated Vertu Motors on the Alternative Investment Market (AIM).

Before January was out, the quartet managed to raise £25m from the float and just 40 days later they

went from a standing start to buying a motor group with sales of £580m – Bristol Street Group. Analysts believe consolidation within the industry is likely to gather pace but, like many things in business life, it inevitably comes down to access to funds and the ability to buy things at the right price.

So, as margins get tighter and competition gets tougher, the consumer is in pole position to drive a hard bargain – as well as a shiny new car.