

Growth in a northern clime

Waqas Qureshi

Henson Motor Group recently acquired two new sites and expects profits to soar

Henson Motor Group is a growing business. A long-established car supermarket in the north east, it hit the news last month when it acquired a two-acre site formerly operated by the failed Carshock chain near Newcastle's Metro Land and a showroom in the Vroom car retailing park in Tyne and Wear.

The company opened its first branch back in 1996 with a management team of seasoned motor traders who claimed it as the first car supermarket in the region. Its main 2.5-acre site is in Benton, Newcastle.

The supermarket sells nearly-new and used cars, clocking up around 1,500 sales last year. Turnover is £20m but with its recent acquisitions sales should reach £60m with an extra 1,000 car sales forecast in the next financial year.

Cars are acquired in the age range of 12-48 months, bought



REPEAT BUSINESS: Henson general manager Phil Nunez (inset) believes success comes from giving customers what they want

direct from fleets and from auctions. Every car purchased by the group is inspected onsite by independent mechanics in a 125-point quality control check and valeted before being displayed for sale. All cars are sold with 12 months' MoT.

The company claims that more than 50 per cent of sales involve part-exchange deals. Sometimes members of the public sell their cars to Henson if they need to make a quick sale. Most of these models and part-exchanges are sold to the trade through auction.

Managing director David Wilson insisted the company is very selective when acquiring stock.

"We don't just pick up any old car from auctions. I don't believe in buying thousands of cars just because I can. We always try to buy the right product. We have a good turnover – the majority of our cars sell in around 28 days but some can take up to 90 days. A car should be sold within 28 days – if not we have obviously bought the wrong car or over priced it."

The company monitors competitor prices nationally and locally. "For us, having the right product at the right price is very important. We check the internet to compare other showrooms."

Advertising issues

Henson advertising its business primarily through the internet and some publications.

The company is signed up with internet search engines such as Fish4Cars, as well as the Auto Trader website. Advertisements are also taken out in the *Auto Trader*

magazine as well as local press.

Wilson said, however, that the supermarket relies on other avenues to promote itself. "We don't spend much on advertising in the north east. We rely a lot on repeat and referral business. We have a long-established brand name and are not like the many businesses in this trade that have come and gone; which opened overnight and were not successful. We have stuck to what we know. We look after our customers and give good aftersales. Our site is in a good location. We don't like to be out in the sticks, having to rely heavily on advertising."

Getting the right staff

The company employs 30 staff, many from the local community. It prefers to recruit senior staff such as managers from within the motor trade but often hires raw recruits into its sales team and trains them inhouse. Around 50 per cent of staff do not have previous experience in the motor industry.

"The problem I often find is that people who come from a franchised dealerships or a smaller independent showroom have often been trained in a different way, and are often older and more set in their ways. We are a young company – I am 33 years old. In a perfect world I would train from scratch with no previous motor trade experience," said Wilson.

All new recruits are given FSA training and in-house sales training. "The professional development of our staff is paramount to the service we offer. Regardless of how much

motor sales experience a new employee has, we will always train them on how we like staff to discuss sales with customers from start to finish," he said.

Henson's general manager Phil Nunez said: "The two new car supermarkets open up opportunities for everyone at Henson since David Wilson believes in promoting from within.

"I came here in 2003 as a sales executive. Within three months I was promoted to sales manager, a job I enjoyed until December 2006 when I was promoted to general manager," he said.

Wilson claimed that customer care singles out his business from other car supermarkets. "Customer service is our number one priority. Customers do not get badgered to death like in other supermarkets. We give the complete opposite kind of service. Without hassling customers, our staff still get customers talking about what they are looking for.

"Customers know if they are not getting a good deal. Years ago sales staff knew customers would go for a brand name but the majority now want value for money," he said.

Wilson said he does not specialise in any particular brand and fluctuates as demand changes. "We try to concentrate on what the customer wants so our brands change often. This year there was high demand from our customers for the Ford Focus, so we purchased that model heavily.

"We try to ensure we stock whatever the audience wants. We are a rapidly growing company and have plans to expand further in the north east and Scotland."



Fact file

Number of sites: 3
Locations: Newcastle
Turnover: £20m (£60m forecast for 2008)
Car sales: Up to 1,500 (2,500 forecast for 2008)
Number of employees: 30 (due to recruit 25 more staff members)

Carlyle FINANCE

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Web presence

Mark Standish, CEO, Carlyle Finance

Search Henson Motor on Google and straight away up comes one of the longest standing car supermarkets in the UK. The ease with which a potential customer can find the group is testament to the strong web presence which the group prides itself.

Traditional media sales are falling so motor retailers need to create websites that are both easy to find and sticky to ensure customers stay and browse the site in detail. Henson Motor Group has successfully combined its 10-year trading track record with modern technology.

Once at www.hensonmotorgroup.co.uk, the whole ethos of the business is clear, with the car of the week appearing as the home page. Thereafter the site is well laid out and easy to navigate using plain English throughout with a good mix of information on the business, its culture and a neat step-by-step guide to buying your car, including a web voucher – a nice way to ensure the marketing pound is measured. While there is always room for improvement, the site benefits from that important first step – it is easy to find.

The on-site experience is all important but the web-based experience can really make a difference to footfall – well done Henson!