

# “Service and reputation”

Ellis Davies

Used car dealer Llanelli Motor Company is expanding its site to accommodate more stock as it looks to put in a strong performance in a buoyant used market

**W**est Wales-based Llanelli Motor Company (LMC) has begun work on a new development that will see its forecourt double in size over the coming months. The one-acre expansion will increase its used car capacity to 350 by the spring of 2023.

However, it has not been smooth sailing, as the business was looking at 2020 as a start date for the developments, but the Coronavirus Pandemic put the brakes on the project. Despite the hold-up, the business has performed strongly since the easing of lockdown restrictions, and the delay in obtaining new vehicles with the used car market seeing an unprecedented spike in demand.

Motor Trader caught up with Ian Jonathan, managing director, to find out his plans post-expansion, staffing strategies and overcoming stock challenges.

The business has been established for 20 years. Up until 2008, it dealt mainly with contract hire as a leasing company, but then the market changed. Jonathan explained: “We were forced to look at other options and selling the vehicles was obviously

an important part of moving forward. About eight years ago we bought our site in Llanelli, and within three years we expanded it by moving our workshop into another building, which we acquired alongside the site. We increased our sales showroom capacity around five years ago, and we bought a 13-bay workshop with MOT facilities. That is going extremely well, we are constantly fully booked.

“We’re certainly expecting growth”

“We’ve have now managed to buy just over an acre of land to the rear of the property, which should allow us to stock up to 300 or 350 vehicles.”

And the business has caught up to its pre-Covid turnover levels, which is now in “excess of £11m”. Jonathan added: “We were doing that with about 130-240 vehicles on site. Over the last couple of months, we’ve taken that up to about 180-190. And now with the extension, we intend to take the stock up to 300 plus vehicles. And with that, we would



expect our sales to increase. We are forecasting that our turnover will be £17-20m by the end of our next financial year (August 2023).”

## Finding the stock

With this extension, how does Jonathan intend on finding the extra stock? He said: “Stock continues to be at a premium, but I think you must work hard at it. Our purchaser is constantly working to purchase and is aggressive in the market, and at the end of the day is getting the stock that we need. We’ve got some good relationships, and I think that is the key to





EXPANSION: LMC is to boost stock to 350 cars on site

## A customer led model

**Mike Edwards**  
Chief Sales and  
Marketing Officer  
**AutoProtect**



As we look to the coming year, we appreciate that for many people and businesses, the environment could be a challenging one. Therefore, it was great to read the Llanelli Motor Company insight story. Expansion based upon a strong track record of delighting customers is an excellent combination for any used car business. The ambition outlined by the business' managing director Ian Jonathan, in the face of negative headwinds, is an example to us. It is one we share at AutoProtect Group.

Ian and his team's starting point is an impressive customer-led model. Ian has noted that the business prides itself on honesty, integrity, and overall trustworthiness. Feedback ratings of 4.9/5 on Facebook and 4.8/5 on Google suggest they are doing things right and are willing to adapt.

The well-publicised cost-of-living crisis has bruised many consumers. While many people are looking to cut costs, according to Consumer Intelligence research, only selling their car came lower than insurance in the items people are looking to cut costs. Peace of mind matters. Promoting value added products successfully can help meet that need and also ensures that dealers are seen to be trying to help protect consumers from unnecessary harm; a key requirement of the FCA's forthcoming Consumer Duty.

AutoProtect Group is stepping up our support for dealers to encourage them to realise the opportunities of Value Added Products. Longer used car warranties, our Shine Protect, a service that maintains the cosmetic appearance of customers' cars, backed up by our national fleet of mobile technicians and GAP/RTI insurance, are just three of our products that spring to mind.

So let us look to 2023 with the type of ambition that Ian and his team demonstrate; it can be a good year, and it is over to us to make that happen by adapting to the conditions.

My best wishes to all dealers in 2023.

it. It's not just auction house relationships but having contact with finance companies and a couple of good trade relationships locally to help support us with our stock levels.

"It could still prove difficult to get our stock up to the higher level, so I think it is going to be a four-to-six-month period to get there. And we also need to put all stock through pre-site checks, which we do before any stock goes on site. So, it's not something we are going to be able to do within a fortnight to a month. We have 10 mechanics on site now, and even with all of them it is still going to take time to prep

these vehicles and get them on the site and develop interest in the stock."

The workshop is a busy part of the business, and one that Jonathan feels puts the company in a unique position in the area. He said: "Our workshops are constant. I think we are competitively priced compared to the main dealer, and yet we have the same level of facilities and equipment. So, in most cases there's a difference between a small garage, ourselves, and then a main dealership. I think we're probably the closest thing to a main dealership, without being one, that the area has. People want to

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