

BRAND BUILDER: Nas Kahn's multi-franchise Jennings Motor Group has represented Ford since 1917

# Regional hero

Nas Kahn explains how he has built Jennings Motor Group into one of the most successful groups in the north east

Andrew Charman

Jennings Motor Group has been a north east Ford dealer since 1917 and in more recent times has broadened its portfolio to include Kia, Mazda, Seat and Mitsubishi outlets to become a major multi-franchise group, rated 71 in the latest Motor Trader Top 200. Most recently the group has diversified with Harley Davidson motorcycles and even a Subway food outlet.

Jennings managing director Nas Kahn came to the UK from a remote village in Pakistan in 1974, aged 14 and unable to speak English. He learnt quickly and nine years later he took a sales executive role at Jennings while on a gap year from training to be an accountant.

He was rapidly promoted and eventually bought the group in 2012. Khan has since overseen the rise of Jennings and in the 2017 New Year Honours he was awarded an OBE for services to charity and the north east economy.

**How has Q1 been for Jennings and have the April VED changes changed buying behaviour?**

We have had a pretty good Q1. It was okay in January and February and then it exploded in March like I've never known. Sales have been coming in

across fleet and retail. March is always busy which in itself creates problems: if suddenly we get a fleet order for 100 vans, it creates resource issues across the business. Also, with valeting you can't hire people for just a couple of weeks.

VED has had some impact in Q1, definitely with fleet sales, but I don't think the general public have been as aware of the changes as some might think. Car buying is still a long process and people will do their research and work out a budget, but they won't do it because we've said if you don't buy right now it will cost you £100 more next week.

**Do you think Q2 will be more challenging?**

Yes, there is still a lot of uncertainty in the market place. The impact of Brexit will start to become clear, whether positive or negative. Nothing really happened after the vote, but now the leave process has been triggered, there is an overshadowing uncertainty. Even when you've had a good month you are not as confident as you used to be because you are wondering what is around the corner.

**Jennings is a long-established, successful group, how has that come about?** My definition of success is employing the number of people that we do,

making a contribution to the north east, and having loyal, long-serving staff – that is key to me.

Across my group my service managers have an average career path of 30 years, my sales managers 25-28 years. On a recent visit to meet dealers in the US, when I told them my staff turnover was between 4-6% they were completely shocked.

This has been achieved through transparency. We don't have a head office, everybody is very much

## FACTFILE

### Jennings Motor Group

**Established:** 1917

**Brands:** Ford, Kia, Mazda, Mitsubishi, Seat, Harley Davidson

**Locations:** Stockton, Middlesbrough, Gateshead, Washington, South Shields, Leeds

**Staff:** 508



## GAP Insurance from AutoProtect

### A measurable difference





involved at all levels – there are regular meetings, reviews, information and communication both ways.

When I first joined Jennings I was full of enthusiasm and willing to take on any role. I just wanted to meet people and I have carried that attitude through to this day, and encouraged it in my staff.

**When you do have to recruit, is it difficult?** Yes it is very difficult. There is a culture within Jennings and it takes time to become accustomed to it. I believe in recruiting from within, so that newly appointed management understands the culture.

We are now looking increasingly outside the industry for recruits and in particular challenging the wrong perception amongst educational establishments that the car industry is only about sales.

Last year we went to Teeside University and showed them that the industry also includes human resources, accounts, administration; areas where graduates might like a career. We are now working closely with them by organising work experience for students in various departments and putting some courses together. Unemployment on Teeside is running at 16-20% and by doing this we make young people aware of career paths open to them.

**How important is the used market to you?**

Very important – we retail all of our own stock, only trading out cars of over 60,000 miles or worth less than £2,500. All part-exchanges are first offered to

the rest of the group and if not taken up they go to our used car centre in South Shields. Our used car sales have been strong recently and in a strong new market I'm not sure why. I was cautious, trying not to carry too much stock but I've been proven wrong – since January we are up 23% in used.

We market used in exactly the same way as our new stock. Once a quarter every branch takes part in our used car event, which we promote on ITV Tyne Tees as it covers all our branches and is a financially viable marketing method.

**What promoted you to diversify into motorcycles with Harley Davidson in Leeds?**

The Harley Davidson outlet came about as a family thing, initially organised outside Jennings, bringing my son into the industry. He really took to it, the showroom has been a big success and we've since acquired a second in Newcastle. The motorcycle retail market seems to be some years behind the car sector but we put our processes and systems into the showroom and made it work well.

**Last year you also opened a Subway outlet at one of your Kia sites, how did that come about?**

There is a garden centre next door to our Stockton centre and installing the Subway outlet was a way of attracting customers into the showroom. It's proved a good move as we have a queue from 11am to 3pm every day. I predicted a market potential of £3,500 a week, we are achieving £8,000, which is a lot of sandwiches.

I have been promising the group accountant, and my children, that we would consolidate. Jennings is now a substantial group with a turnover of £220m and it's quite daunting for my children coming into it. However, every so often an opportunity comes along that is the right fit for the group – if we don't take it, someone else will come in. So I'm not ruling out further acquisitions, but it's got to be in the north east and fit the Jennings culture.

**How do you think the rest of 2017 will perform?**

If the market remains at a similar size to last year we will have done well. I see a softening of the new car market, but used will continue to be strong. There are still opportunities, and if there is a shift to used from new, it won't be the end of the world. The commercial market will also stay strong as there is a lot of building, infrastructure going on. Overall I'm not pessimistic; in fact I'm quite optimistic. **MT**

## Leading from the front



**Mike Macaulay** National Sales and Development Manager, AutoProtect

**I**n today's increasingly digitised car retailing environment, being a good community organisation is arguably more important than ever before. For a business that has been part of its local landscape for over a century, being a strong local presence is clearly a key element of the enduring success of Jennings Motor Group; that and a capacity to adapt their proposition.

The starting point in developing great local reputation is the people within an organisation. The level of long service within Jennings points to a happy workforce. This is clearly supported by a strategy that sees the team well-informed and engaged with the business strategy, processes and controls. The resulting low staff turnover means customers can rely on a familiar face and their long-term knowledge.

Another virtuous circle aspect of the Jennings approach is their active 'good citizenship' programme. The business' commitment to 'give back' to their local community and help local good causes is something that Nas Khan recognises is important inside and outside the group. Nas was recently awarded an OBE for his charitable work, so he clearly leads from the front.

Traditional values sit comfortably with Jennings' capacity to embrace change. Opening and leveraging an in-house Subway store to drive showroom traffic is an imaginative example of a smart, profit-making marketing initiative.

Jennings' community strategies sit alongside innovation and digitisation. Giving more people more platforms to get to know and trust a business is an important lesson for us all.

### PERSONALFILE

#### Nas Kahn OBE

**Position:** Managing director, Jennings Motor Group

**First job:** Sales executive, Jennings Motor Group

**First car:** Nissan Sunny

**Current car:** Jaguar XJ

**Newspaper:** The Daily Telegraph

**Film:** The Big Lebowski

**Best business decision:** "Developing a former 140,000 sq ft Magnet Kitchen warehouse into a dealership and units to lease out. It was a shrewd property investment."

**Worst business decision:** "Not involving my children in business early enough."

**Downtime:** "Playing with grandchildren"

**Gadget:** "I don't do gadgets!"



In an increasingly competitive market your customers require GAP products with demonstrable benefits, clearly explained in order to make an informed purchase decision. AutoProtect provides the support and training needed to develop your sales team's existing skills to achieve this goal. Plus AutoProtect's management-friendly IT systems, which streamline the registration process and facilitate performance review, allow you to accurately measure the difference our GAP products make.



[www.autoprotect.co.uk](http://www.autoprotect.co.uk)

To find out more about how our GAP Insurance could work for you, call **Mike Macaulay** on **01279 456600**. Alternatively email us at [sales@autoprotect.co.uk](mailto:sales@autoprotect.co.uk)



@autoprotect



[www.linkedin.co.uk/company/autoprotect](http://www.linkedin.co.uk/company/autoprotect)