

Car dealer grows network

THE Sinclair Group has expanded its Volkswagen network in South Wales through the acquisition of dealerships in Cardiff and Newport in a deal which safeguards more than 100 jobs.

Sinclair, supported by Volkswagen UK and Barclays, bought the assets of David Jones Garages as a going concern from administrators in a move that extends its sales and service network in South Wales.

The deal adds Newport Volkswagen at Newport Retail Park, Cardiff Volkswagen in Cardiff Bay and the adjacent commercial vehicle centre to its network of 14 dealerships.

Sinclair Group operations director Arthur Potts said: "Through the support of Barclays and Volkswagen we have been able to extend our VW network in a timescale that allowed the three businesses to continue trading and for staff to retain their jobs.

"As a group we have added two high-profile showrooms, extended our network of VW service centres, which now stretch from



Neyland in the west to Newport in the East, and added a second commercial vehicle dealership to supplement our successful Swansea VW van centre."



JOHN CULLEN

Partner, Harris Lipman

To cut or not to cut?

YOU would expect in times of recession that the market in which most of us operate shrinks, meaning fewer sales.

The initial reaction is cost-cutting. Is the business over-staffed? Can it cut its transport/printing/insurance/utility costs? First to go, usually, is the marketing and advertising budget. This is not, however, always the best starting point.

It depends how cash-strapped the business is and what it can afford to do. Just because the market is shrinking doesn't mean turnover should. Now is the time to increase market share to stabilise or even increase turnover, and if the business cuts its marketing and advertising budget, this limits the opportunities to do so.

It is not the only way to assist the business in hard times. It is sometimes worth looking at the assets the business uses. This can include the property and whether it is too big or small, owned or leased or could even increase in value with some planning consent.

An asset review can lead you to a process review. If your business runs more than one process (say, manufacturing and sales), are all of the processes profitable? If not, would the cost of outsourcing a process be significantly less than the benefits to your organisation?

Customer reviews are also important. Identifying your profitable customers is just as important as working out who your loss-leaders are. Of course, if the customers who are generating losses are not generating profits elsewhere, why are they customers in the first place?

It helps to advise your customers to recommend your business if they like what they get from you. If you feel that they cannot recommend you, it is worth working out why they cannot do so and turning that around. Word of mouth is, in my view, the best advertising you can get because if your dog demands a certain dog food, it does not matter how many suppliers have told you that they are the best. It's your dog that counts.

Staying financially fit can include more than cutting costs and can sometimes mean spending more in the short term for longer term gains.

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Greater help for the unemployed

THE recruitment industry has reached an agreement with government to provide greater support to help the unemployed back into work.

A memorandum of understanding (MoU) has been signed between the Recruitment and Employment Confederation, the trade association for the private recruitment industry, and Jobcentre Plus in Wales as part of the package of support being offered by the Government and the private sector to help people who become unemployed.

The MoU is expected to result in a more cohesive strategy for helping people back to work and employers fill their vacancies.

As part of the agreement, REC members

in Wales will work with Jobcentre Plus to provide its customers with support into employment and work with employers to give guidance on recruiting from the widest possible range of people seeking work.

Philippa George, chair of directors for REC Wales, said: "The partnership between Jobcentre Plus and REC members offers the right support to people who are seeking work and will ensure that the full range of opportunities becomes available to them.

"Even though the economy is in difficulty, the UK's workforce has a range of skills and talents that will drive our recovery and this agreement gives employers throughout Wales access to a larger bank of suitable candidates."

Consultancy is source of new jobs

PROCUREMENT consultancy Source42 has announced the creation of more than 30 jobs after securing a significant funding package.

The Cwmbran-based company, headed by chief executive officer Steve Watts and chaired by entrepreneur and former WDA chairman Sir Roger Jones, specialises in spend reduction, e-sourcing and enabling better procurement.

Source42 has developed an e-sourcing platform it says is capable of making massive savings for purchasers.

Despite the sector's growth, fewer than 20% of UK companies e-source their supplies and less than 12% of all goods and services are e-sourced. Mr Watts believes the figures are even smaller in Wales.

Through a funding structure that brought together investment partners from HSBC,



Left to right: Steve Watts, Phil Ledger of HSBC and Sir Roger Jones

Finance Wales and Welsh Assembly Government, the company is accelerating its growth plans.

Phil Ledger, head of Newport Commercial Centre at HSBC, said: "We saw the immediate potential in the business and were pleased to lead on the investment. It is ideally placed to assist in improving both private and public sector procurement along with supporting the intention increase public sector tender awards to SMEs."