

Careful talk saves MAN

Heading up MAN Truck & Bus is managing director Thomas Emmerich. He spoke to Will Dalrymple during the lockdown in May about recent developments and the importance of communication



Thomas Emmerich uses the MAN Truck & Bus response to COVID-19 to make a point about how it handles customer service.

He says: "It's all about partnership. It's easy to be a partner in good times; the difference is shown in difficult times. In early April, we had a tsunami of requests to our captive finance house, Volkswagen Financial Services, about customer payment holidays because of their various concerns. We have given a three-month holiday. Some wanted a holiday only from financing; some wanted for financing and R&M."

He estimates that during the crisis, half of MAN fleets were parked. For that reason, the company's 70 depots nationwide, 17 of which are wholly-owned, adjusted workshop shifts and halted weekend work.

But they remained open, partly because of the increasing popularity of repair and maintenance (R&M) contracts, which now stand at 60% of sales for long-haul tractors, he states, and are driven by the increasing complexity of the vehicles.

"Now, the mechanical or hardware problem is more the exception than the rule. More often, it's an electrical or sensor issue, and you really need to be able to detect the problem and be more of an electrician than a

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mechanic." He continues: "One of my key topics is that it is always complicated to find qualified, highly-trained skilled technicians. I'm always saying that we need to breed our own people, from a brand point of view.

We need to light a fire, and the best is always if you get youngsters on board after school."

This year, the company changed its training provider, to Remit Group of the Midlands, to manage the 150 young people undergoing the three-year Level 3 heavy goods vehicle technician apprenticeship (and others in the group). Each employed by a local dealer, they gather periodically for a week's training at Remit's facility, which is equipped with a dedicated MAN workshop with components, and some branded rooms. (Emmerich adds: "It's not just a general training school;



NEW BROOM AT BENZ

Wolfgang Thiessen takes up his post as the new managing director of Mercedes-Benz UK this month, working for a time alongside outgoing MD Mike Belk before his retirement later this year



For Thiessen, it's a jump across divisions; he was previously head of overseas sales, one of the company's three global regions, alongside Germany and Europe. In his new post, he joins 13 other heads of the larger markets within Europe. Smaller markets use indirect distributors, he explains.

Speaking in late June, he says that he hopes the COVID-19 crisis will soon subside; he says that in that month the company started to see the first upturn in truck order volumes since the start of the pandemic. If that recovery continues, then the company will focus on what he calls 'ambitious' sales targets and objectives. "We intend to remain dominant players among our competitors in the truck market," he states.

The brand's speciality has been offering a high standard of quality in innovative trucks for 125 years, Thiessen states. Important aspects include technology development in connectivity, safety and autonomy, but also fuel efficiency and uptime.

Mercedes-Benz aims to have a broad offering in many markets, he adds, without being over-reliant on a single one. "The market segments that suit us are where safety and efficiency are appreciated by customers." He cites the Arocs tractor, with active braking technology, and Eonic, whose cabin has strong Direct Vision ratings (see also p15), as two examples.

The current UK market situation requires a balance between strategic thinking and operational focus: the former because of Brexit and the risk of import tariffs, and the latter because of the social distancing challenges posed by COVID-19, Thiessen says.

Over the years, the new MD has been involved in setting a number of corporate strategies at the OEM. He explains their importance like this: "If you would really like to be sustainable in your success, you always need to keep up with the ability to allow questions for your behaviour and what you are going to do. Whether that's now called tactical or strategic, it is definitely needed."

One example was the decision to split van and truck operations, which the company enacted in corporate structure in 2019. Thiessen was involved in that. He explains the logic: "I truly believe that

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any business should serve its customers in the best way. If you look at the truck industry, we have many different customers who always ask for a tailor-made treatment. They have a certain kind of business and a specific need, and reach out for those kind of measures that build up to that desire or requirement in the best way. Therefore we clearly think it's the right way to give as much dedication to the product as possible. On the other side – don't be silly – we still work closely with our van colleagues. There are synergies to take into account in terms of spare part logistics and in our dealer network."

As for the 60-strong independent dealer network, he calls that one of the brand's pillars of strength, alongside its UK staff, based in its Milton Keynes head office and Wentworth Park, Barnsley, home of the used trucks operation and a new customer experience centre for truck and technology demonstrations.

As regards truck sales, he predicts a melding of product and services into a combined offering. And that will require greater qualification of its staff, he confirms, technically and personally. "Let's say you're a sales executive, talking predominantly about the technical features of a truck, you may merge more into [the role of] business consultant, showing the benefits of the truck and services for customers."

getting the branding and getting the passion going for the brand is crucial." Unlike before, when they boarded with local families, now the apprentices are put up in a hotel, with a programme of evening activities to keep them busy and keep their relationships going. He continues: "Once they return to their dealers and spread out in the UK, they keep this going through social media, and also have a nice supportive network."

After the apprentices complete their qualification, their education continues in continuous professional development sessions at the MAN training academy in Swindon, and do continuous professional development training. This so-called 'competence degree' is reviewed regularly, and if the threshold level drops, technicians are required to book on to additional courses.

Technician training standards are just one of about 10 key performance indicators measured as part of a 'dealer scorecard' management scheme that was introduced last year. This involves twice-yearly review of the depot's performance, discussing achievements and actions to take. "As you can imagine, it is a huge job to audit. But we can see a significant change in those figures and the KPIs, and for me it is compulsory that board members sit

in meetings. It's about understanding their needs and requirements. It's not always 100%, but at least three of six, and pretty often [everyone]. I listen to dealers about what is going on. Only if we understand what is happening can we make the right decisions.

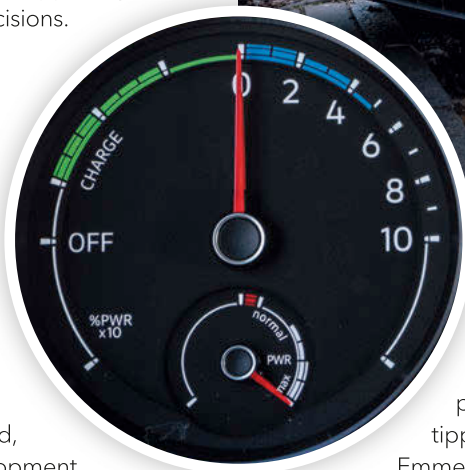
Our proximity to the market has increased big-time."

Emmerich admits that the start of the programme was a shock for some dealers. "Some of them were pretty nervous the first time that we met.

They weren't used to sit in front of the board, only the dealer development manager. All of a sudden there is me and others, so the dealers felt uncomfortable. But we don't want to shout at them, blame them or criticise. We need to understand what is going on. We are giving them the confidence that they can pick up the phone, call me, call the board, and ask questions."

He continues: "You may always say communication is king, but if you don't do it in the right way, or with the right people, it doesn't work. That is why we have established dealer reviews. Sitting in those meetings has brought much more than endless meetings in HQ doing strategy and scenarios. It is a change of communication culture."

Another big focus in the company this summer is the launch of the new truck series, the TGS (pictured, p20, and profiled via www.is.gd/ubezeh). Emmerich says that it offers greater cost efficiencies, as well as an improved driver experience. A demonstration fleet of 10 new vehicles has arrived in the UK, and instead of a big launch at the cancelled CV Show, the company has begun a series of small-scale events around the country.



A particular market focus will be the construction segment:

particularly 8x4 tippers, in which

Emmerich says the company has lost its way, but hopes to increase its share. That's a long row to hoe, however, since the average lifecycle of such a vehicle is eight years.

He adds that, rather than focusing on sectors, such as construction, its market approach has recently been organised into creating solutions for some 15 application segments, examples being beverage distribution or street cleaning

VAN STRATEGY

When asked how the company's recently-launched TGE van fits into this, Emmerich replies: "It fits perfectly. I've spent 20 years in the CV industry. Every single customer of ours also has a couple of LCVs. It was always frustrating to me to tell customers that they need to go to competitors to buy those. We want to be a full-range supplier, and it also offers us the opportunity to keep the network and the workshops as dense as it has been, both in Europe and in the UK. Compared to 20 years ago, trucks are much more reliable; breakdowns are

fewer and fewer; so workshops are not as necessary now. To keep the density of the network, LCV is perfect."

This market is particularly interested in electric options, and MAN has already sold out its 100-unit 2020 allocation of the new e-TGE full-electric panel van (pictured above). Despite the fact that the vehicle is 50% more expensive than the diesel version, customers can receive a £6,000 government subsidy, and avoid congestion charges in large cities like London, making the business case compelling, claims the MD.

In the meantime, dealer workshops are also tooling up to support the vehicles. And in fact, the company has been busy spending the £20 million for upgrades that it was allocated by the corporate parent a few years ago. Gateshead, which opened last year, was a completely new development; Stockton is the next, next year. Other big developments have been in Manchester, at PCL in north London, WG Davies (Landore) in Swansea and John Arnold Commercials in Bedford. Smaller-scale improvements have also taken place at dealers in Nuneaton, Bellshill (Glasgow), Westbury and at Cordwallis Group in Heathrow.

Explains Emmerich: "What we want to guarantee with this money is that those dealerships provide the same customer experience wherever they go." 