

ENNIS & CO



Preparing your people for the future:
five things you really need to think about!

Introduction

Change is happening at an ever-increasing pace in the automotive sector. The winners in the battle for survival will be the organisations and people who are flexible and willing to embrace it, taking advantage of the diverse range of talent available both within and beyond the sector.

On 14th April 2016 at Toyota GB in Epsom, Surrey, 60 executives gathered to hear the results of a two year programme of work exploring the key factors involved in identifying and retaining the people who will lead successful organisations.

The topics discussed during the event included how to build and lead teams comprised of generations X, Y and Z; the opportunities to develop senior management during organisational change; how to combine the best of traditional and 'new' retailing and also what we can learn from beyond the automotive sector. We also heard from some of the leaders of the future, a panel of young professionals who shared their experiences of the industry with us.

The journey to this event at Toyota GB started eighteen months ago when I invited a cross section of executives, mainly women, to meet in a forum to discuss some of the reasons behind the gender imbalance within the sector, and to share ideas about how we could address this.

We started from the awful reality that the automotive industry has, for a long time, let down women by failing to appeal as a career path to nearly 50% of the working population. As a direct consequence of this event we created an open network of interested parties who have since been sharing knowledge and ideas about the key opportunities for our sector, today and in the future.

Our debate about women has evolved quite naturally into the broader question of how the sector can be fit for purpose for the future. Our group has researched several different areas, and this event, "Preparing your people for the future..." was our forum to share this learning and these ideas, to bring some new people into the conversation and to have a debate with like-minded people.



The event was interactive, with our audience contributing their thoughts and ideas as we had hoped they would. This document provides some of the key insights and the 'take-away' messages from our speakers, panellists and the highly experienced delegates who attended.

If you would like to know more, please do get in touch. Why not join us on the journey?

Lynda Ennis
Founder, Ennis & Co

Generations X Y and Z

SPEAKER



Vanessa Murphy

General Manager,
Human Resources
& Facilities at
Toyota (GB) plc

PANELLISTS



Rob Lindley

VP & MD, EMEA
Harley-Davidson
Motor Company



Andrew Stephenson

Group HR
and Property
Director, DFS

There are now more Millennials (generation Y, 18–34 year olds) in the workplace than any other generation, and by 2030 they will comprise 70% of the global workforce.

They are now being joined at work by generation Z (16 year olds) and we face a multi-generational employment challenge.

Successful organisations will capture the attention of generations Y and Z, but are currently led by generation X who need to integrate with them and secure a successful pathway to the future. How can they all get along to drive success, when they come from such different places?

Generation X started work in the 1980s

- » Individualistic & self-reliant
- » Shaped by parents' experiences
- » Structured, linear, punctual
- » Believe you have to fight and earn a seat
- » See the boss as the expert
- » Want the trappings of success
- » Family life important.

Generation Y started work in the 2000s

- » Intelligent, creative, optimistic, collaborative, diverse
- » Hyper-connected & hyper-social 'always-on'
- » Expect to be heard; motivated by autonomy
- » Want mentoring & feedback
- » Flexibility & fun
- » Want respect
- » Civic-minded: need to feel they are making a difference both in the business and also in the world; making meaning not just money.

“Generation Z want to connect with their bosses on social media, partly because they don't see their boss as a boss per se. They work incredibly hard and have often gained work experience wherever they can by the time they come to us – they're not as naïve as we might think.”

Vanessa Murphy, Toyota GB



SPEAKER



Vanessa Murphy

General Manager,
Human Resources
& Facilities at
Toyota (GB) plc

Generation Z joining the workplace in 2016

- » Tech natives: operate laptop, mobile, tablet, phone and tv simultaneously
- » Activists – 26% of 16–19 year olds are currently volunteering
- » Communicate through images not text – don't like speaking on the phone
- » Have humility and future focused
- » Realists who want to work for success
- » Not naturally team oriented
- » Expect diversity, communicate with people across the world & take advice from people they have never met and will never meet.



This is about the human condition irrespective of gender, race, etc. Ask employees what they want from their organisational culture – at different stages of their career and tenure within the business, and capture that as part of a process."

Carol Borghesi, Customers
First Culture

PANELLISTS



Rob Lindley

VP & MD, EMEA
Harley-Davidson
Motor Company



Diverse employee profiles can help to transform customer service, and I have seen great value in buddying younger employees with those from older generations: inter-generational buddying has resulted in the strengths of each generation complementing the other, the more experienced able to coach new employees whilst, if they remain open minded, channelling the ideas of new employees."

Andrew Stephenson, DFS



Andrew Stephenson

Group HR
and Property
Director, DFS



Graduate internships which offer exposure to a variety of roles provide really good value and can result in really well-rounded professionals....we must also be aware of the technical expertise the new generations have, and channel that."

Rob Lindley, Harley-Davidson



My generation has had to learn how to answer the phone; although not reluctant as such, I really wasn't used to it."

Becky Ideh, Jardine Motors Group

Pathway to a successful multi-generational workforce

- » Blend and integrate – bring experienced people together with fresh minds
- » Focus on creating a business where people feel they 'belong' – it's not all about the money
- » Recognise the need to teach and develop phone and verbal communication
- » Think community – it motivates and excites
- » They are 'always on' and expect you to be, too – and to respond to them
- » Make space and time for the team to do other things – community projects, trust to 'do good'.



"All generations are connected by, and enjoy, doing something collectively for their community – organisations can make more of Corporate Social Responsibility and use this as a bonding experience."

Andrew Stephenson, DFS

"There's a lot of excitement about young people's proficiency with technology, but we must ensure we don't lose skills too – the telephone remains an important business tool for my industry, and younger generations are often less comfortable with the telephone."

Anna Robinson, Watson
Farley Williams

"I've seen it work very well when a company makes volunteer work, CSR etc part of its induction process so that people understand it is part of the organisational culture from the outset."

Sue Myers, Manheim

"The importance of Twitter and hashtag-led recruitment campaigns in attracting younger people cannot be under-estimated."

Val Risk, Fujitsu

The organisations who will emerge as winners in the battle for future talent must have their fingers on the pulse of the newest generations. They are integrating teams, trying new ideas, embracing new technology and ways of working. They're talking to their kids, their kids' friends and bringing what they learn into work. They are letting their young people lead the technology charge.

The View from the Future

SPEAKER



Freddie Keyworth
Strategic Researcher,
Ennis & Co

PANELLISTS



Mohsin Basharmal
Business Development
Consultant,
Integral Systems
Solutions Ltd



Leah White
Coordinator,
Toyota GB plc
Graduate Program,
ConsumerOne



Becky Ideh
Finance Graduate,
Jardine Motors Group

If you want to plan for the future, why not ask the people who are making it happen?

We brought together a panel of new-starters in the industry from across retail, manufacturing and recruitment to hear what they think of their experiences so far.

Do we really know them as well as we might think, and how can we adapt our organisations to attract the brightest and best? Ennis & Co's researcher Freddie Keyworth, a trainee in the industry, has been speaking to fellow trainee, graduate and intern staff across the industry to get their perspective on the sector.

They have come from an education system which is still focused on passing exams and 'selling' college and university as next steps, whereas apprenticeships and on the job development are really attractive when presented clearly.

In traditional businesses there remains a focus mainly on skills development, whilst forward-looking organisations invest in personal development alongside skills, and employers who try new ways to grow people have greater allure.

What makes our panel of young professionals "tick"?

- » Opportunities to grow and develop
- » Flexible working and work/life balance: this includes being trusted to work from home and take part in community activities
- » A strong company culture where values are adhered to is highly attractive
- » Responsibility and chances to bring new ideas forward.



“ In an economic downturn, everyone who ceases to run apprenticeship programmes will suffer in the longer term; businesses must grow their own, balance old with young and attract from outside the sector.”

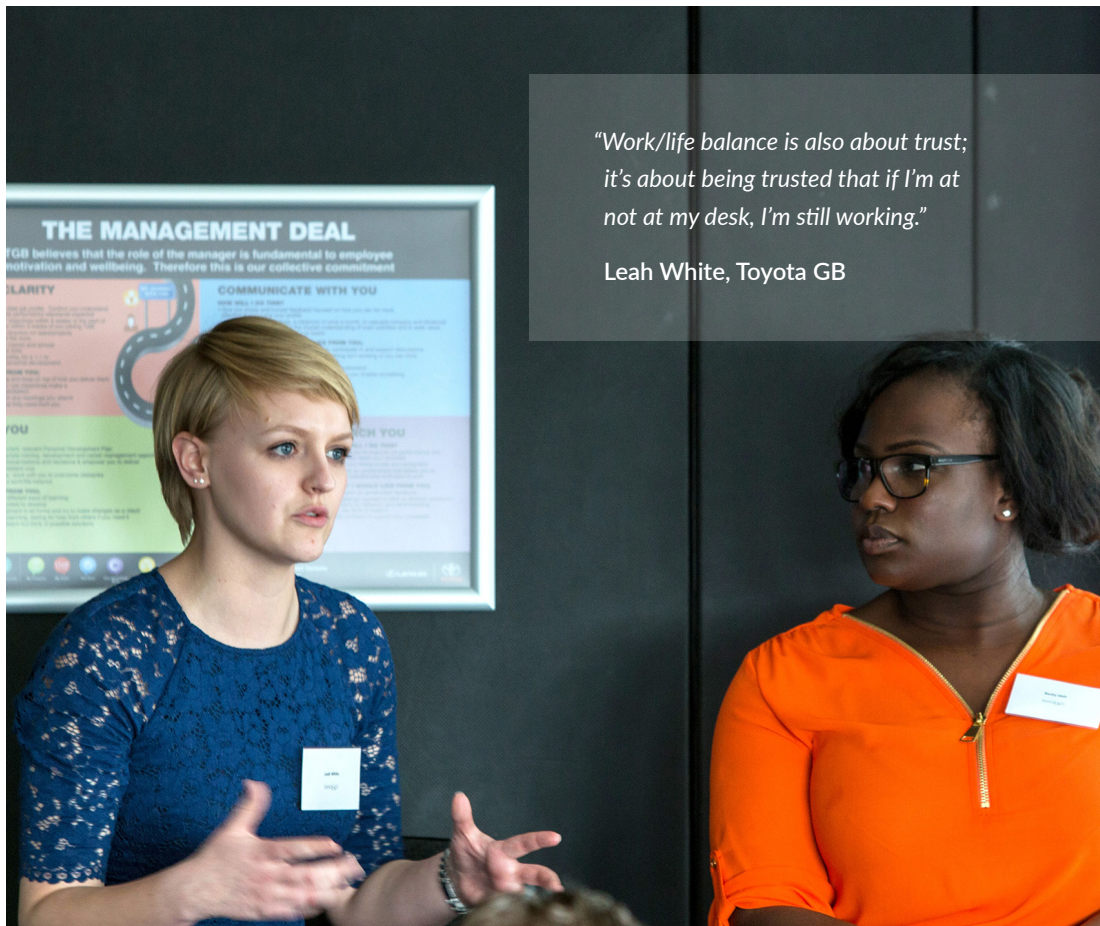
Mike Hawes, SMMT

“ Part of the motivation for my generation is simply not turning into “generation fail!”

Mohsin Basharmal, Integral Systems Solutions

“ Young professionals look to the industry to set its own examples: more female GMs will lead to more female GMs!”

Leah White, Toyota GB



Apprenticeships work when they are focused around the skills young people can bring, provide strong opportunities to develop soft skills and an element of mentoring, and allow young professionals to contribute ideas.

Some of our delegates expressed the wish that their recruitment methodology allowed them more access to individuals with good skills (customer service, technical, sales etc) developed through early experience, rather than being confined to the academic channel.

Developing Senior Management

SPEAKER



Lynda Ennis
Founder,
Ennis & Co

How can we recognize leadership potential in our people and then prepare and develop them into senior roles?

A lack of opportunity to move up is one of the biggest reasons why senior staff move on. One of the ideas to address this which emerged during the last two years is a sabbatical programme for senior staff, allowing them to gain and share experience in other organisations. But can we agree on what good leaders 'look like', and what the industry needs them to be?

PANELLISTS



Rob Giles
HR Director,
Corporate Planning
CSR & Legal at
Toyota GB plc

What is in the DNA of a good leader?

- » Strong understanding of their market
- » Good with people: not necessarily everyone's best friend, but skilled at deploying resources and articulating a vision
- » Passion for the customer and relentless focus on customer insight
- » Financial accountability and ability to deliver results.



Val Risk
Client Executive,
Fujitsu Services

“Organisations must be brutally honest with themselves about the opportunities they create that encourage diversity and vision in leadership: It is our responsibility to create environments where people want to be leaders – this is how you make the most of talent.”

Lynda Ennis, Ennis & Co.

Whilst we prepare for the future and think about the opportunities ahead with new people, we need to manage today's organisations successfully and develop the existing talent that lies within our current leadership teams.

Entrepreneurship is often stymied by psychometric testing which can result in carbon-copying – we need to find ways to counter this and encourage risk taking (within reason) and entrepreneurship.

Coaching, training and in-house development are part of the essential mix, but a new initiative has emerged during this programme to retain managers and leaders to prevent ideas, experience, legacies and potential coaches and mentors from leaving the business.

Ennis and Co and a selected group of organisations have worked together to evaluate the feasibility of a sabbatical programme that would allow senior staff to gain experience in other organisations within the sector (or beyond). Our aim is to have one placement confirmed by the end of 2016 and set up a working pilot programme.



“How we deal with failure will shape our culture more than we know: we often let down those who take risks. How failure is treated is very quickly picked up on by staff, and risk-aversion is often a negative side effect of big company thinking.”

**Carol Borghesi, Customers
First Culture**

“The ideal is to capture the best of entrepreneurialism and healthy risk-taking and balance that with leadership from people who know what will work.”

Val Risk, Fujitsu

“Marketing-led organisations are often better able to look outside of the sector for senior staff and know how to channel and use those skills; they appreciate the value of relevant and broad experience.”

Lynda Ennis, Ennis & Co.

Our industry is quite rightly focused on Smart Mobility using technology and innovation to drive new opportunities. In the race to the future, we need to make sure we apply the same focus to create Smart People, the leaders who are encouraged to operate in a company culture which celebrates the balance between entrepreneurship and caution.

A sabbatical programme presents an opportunity to enhance diversity in existing teams with fresh thinking, boost retention by offering different life experiences and discovering how people cope in new situations providing a showcase of their abilities, whilst benchmarking people and organisations.

For more information about our senior sabbatical programme, contact Lynda Ennis: Lynda.ennis@ennisco.com

Traditional v “new” retail

SPEAKER



Clare Martin

Group HR Director,
Jardine Motors Group

What happens when a slow-to-change industry meets a demand market that is hurtling into the future, obliging it to embrace a constant stream of new ideas and initiatives?

Our working group explored the challenges of transitioning from a traditional to a new retail model and the implications of this from a talent and diversity perspective.

The panel provided a cross-section of views taking account of the needs of manufacturer and retailer and the imperative of meeting customer expectations in a digital age.

PANELLISTS



Richard Hudson

Sales Director,
BMW Group
UK Limited

Despite the obvious rise of online shopping, retail needs to create memorable experiences and theatre; customers still want to ‘touch and feel’ high value purchases but are far better educated than before (driven by online searches). Customer experience is ever more important, and so is recruitment and retention of the employees who deliver the service to them.

If the evidence shows that customers want to search for and discuss their new car in the evening, we need to find and train people to meet that need, and be open and available to serve them.

In our staffing mix, we may need to explore the ‘product genius’ approach used in other sectors rather than traditional ‘sales people sell’ attitudes.



Matt Wrigley

Group Marketing
Director, Jardine
Motors Group

“Retailers often develop things faster than OEMs and have local expertise; we need them to be our local heroes.”

Rob Lindley, Harley-Davidson

“In some cases it has been demonstrated that the ‘Apple’ model [where non-selling product specialists operate alongside sales executives] works better than ‘old school’ sales, even in traditional environments.”

Richard Hudson, BMW Group UK

“You don’t need to go to a dealership to buy a car, and you can even have your car picked up for a service – the drive to go to your local dealer is diminishing.”

Robert Hazelwood

“At DFS we changed our sales reward approach from salaried to commission-only sales teams – the positive impact to the business was dramatic.”

Andrew Stephenson, DFS

Apprentice roadshows are a new approach, taking the dealership to potential employees providing an opportunity to explain and attract new people into the industry.

We need to develop the skills and technology that enable interaction with customers, where they want, when they want, and we need to reflect the diversity in gender and culture of our customer base, in the workforce.

In trying to match customer expectation with reality, recruiting and retaining high quality people is key, yet the relationship between manufacturer and retailer in automotive can sometimes be a barrier to making this happen. Prescriptive requirements in job descriptions for senior staff and double-vetting of potential candidates can stifle innovation and create 'carbon-copy' candidates, preventing new thinking entering the business.

"This is about more than generational differences – it's about interacting with customers in the way that they want. As a result, general marketing skills might be less important than, say, technical skills or customer service skills. At the same time, harnessing data and understanding who owns it is the next big milestone."

Matt Wrigley, Jardine Motors Group



"For some automotive retailers there is genuine appetite amongst shareholders to reflect modern retail. True retail must reflect footfall and we need to find ways of being able to provide the customer experience from the start of the day to the end, defined by customer needs."

Clare Martin, Jardine Motors Group

"As about 80% of customers now buy on finance their purchasing decisions are based on who they trust – banks might start to sell cars, too...retail can change but perception will be slower to change."

Richard Hudson, BMW Group UK

"A major challenge for automotive retail is that it is still not understood as an entity by new intakes. Young professionals want apprenticeships, but low salaries at this level are 'turning off' good candidates."

Clare Martin, Jardine Motors Group

Trying new ideas (and sometimes failing), is key to the retailers who are making progress in the new environment. Some OEMs are innovating and will support initiatives that will evolve the retail experience. The message from the group is: stop waiting, be bold, take some risks and work with OEMs to mobilise change.

Learning from beyond automotive

SPEAKER



Carol Borghesi

Founder and Principal,
Customers First
Culture

PANELLISTS



Kirstin Furber

People Director
Human Resources,
BBC Worldwide



Anna Robinson

Senior Associate,
Watson Farley
& Williams

The automotive sector is starting to 'look over the fence' at other industries and see what can be learned to balance the gender inequality. But progress towards diversity is painfully slow despite much debate.

The reality is that 50% of the potential employee pool is being ignored and little attempt is being made to change this.

The working group faced the reality that the industry does not yet have the courage to be brutally honest and ask itself the difficult questions.

McKinsey published their report 'Breaking Down the Gender Challenge' in March 2016 from analysis of 30,000 people in 118 organisations across nine sectors in the USA, which revealed that *'women are less likely to advance than men, hold fewer roles leading to top management positions, and are a century away from gender parity in the C-suite if progress continues at the pace which prevailed between 2012 and 2015'*.

www.bit.ly/mckinseygender

In their findings three different challenges emerged for advancing women into leadership roles (i) women were unable to enter the sector, (ii) women were stuck in the middle and (iii) women were locked out of the top. The challenge for women in automotive (as well as industrial manufacturing, energy and technology) is that they are so poorly represented there is no pipeline to leadership.

The McKinsey report reflected the experience of the working group who observed that automotive has not got to grips with diversity because:

- » Lack of employee engagement, means that they fail to make diversity and opportunity in their workforce a competitive advantage
- » Old Boys network. The lack of women in senior leadership roles means few role models
- » Macho approach to performance metrics, reward and recognition. Women are behaving like men to fit in, rather than being allowed to bring new approaches.



"Automotive's requirements for people to work regular weekends regularly puts people off...but customers want sellers to be available 24/7 so we need to pull the trigger on resource planning – this is about evolution not revolution."

Carol Borghesi, Customers
First Culture



The panel made the recommendation that it is possible to make change, and it has been achieved in other sectors by taking time to understand what's needed:

- » **Context** — Understand the issues and opportunities
- » **Case** — Make the business rationale explicit
- » **Customers** — Tie the initiatives to customer/community benefits
- » **Costs** — Address short-term financials
- » **People** — Have a strategy and execution plan

The automotive sector is cautious about innovation in this aspect because they are target-driven and are terrified to change anything in case it doesn't work. One example of this is that a variable pay base

does not typically work for women but they will work hard and deliver a good results, but have different requirements.

During an interactive session the audience highlighted other issues:

- » Diversity is on the agenda, but is it in a credible way?
- » There is still a major focus on cars or product, rather than business.
- » Targets are often presented as a throwback
- » There is still a lack of awareness of the opportunities within automotive. Social conditioning is a part of this.
- » We must change politics and practises (including truly flexible working, employee benefits and remuneration).

At the end of the session, the audience was invited to make commitments to taking away actions that could be implemented in a practical way in each organisation, shown below:

1. Continue to look for talent within the sector.
2. Work with key trade associations on a new diversity institute.
3. Champion gender balanced leadership and champion the automotive industry externally.
4. Develop business case to evidence why more females will deliver better customer CSI and profit.
5. Be disruptive, challenge traditional ways of thinking and provide views from other industries.
6. Challenge the requirements made by managers in job profiles and adverts.
7. Practice what I preach.
8. Continue to promote diversity proactively.
9. Encourage others to come and join the automotive industry.
10. Use my coaching skills with young women in the company and outside.

“ Diversity is even more of a challenge within the commercial vehicle sector. I never saw a job description that didn't say “graduate, minimum of three years' experience required”, even when a job is for processing invoices. How do we give good people who aren't graduates a chance?”

Delegate

“ The workforce must reflect the customer base: a minority of decision makers are female in automotive, as in legal. A more diverse workforce is more engaged. Women and men handle risk differently and handle disputes differently.”

Anna Robinson, Watson
Farley & Williams



30-day check in call

Our speaker for this session, Carol Borghesi, offers a 30 day check-in on May 12 2016 for anyone who made these commitments at our event.

To register your interest please contact Jo Church at Ennis & Co to book a place on this call – Jo.church@ennisco.com | 07584 634 277

Call agenda/purpose: One hour free discussion/exchange of idea about what is working well/areas of opportunity/mutual support.

Key Take Outs

Most people within the automotive industry would probably claim to be highly engaged with the changes currently transforming our industry and would be keen to support diversity in leadership.

What is less understood is just how many people actually are, and how much work is being done across the industry in this respect.

This event captured a sense of shared endeavour, goodwill and excitement and demonstrated clearly that there are a lot of people with passion and ideas about how best to attract, deploy and channel the talent and experience within and outside of the industry to the betterment of the sector.

If you would like to know more please get in touch — we now know that there is a will to share ideas about this — THANK YOU.

In conclusion:

- » We're all going to have to work harder than we've ever done before
- » It's a marathon, not a sprint!
- » Remember to listen to your target audience and change direction if necessary
- » There's always a time for caution — and a time to throw it to the wind
- » Sometimes, what seems like the worst of times, in fact is a blessing
- » And ladies...you don't have to wear high heels any more!



Companies attending or who have been with us on the journey

- | | | | |
|-----------------------|---------------------------------|----------------------------------|----------------------------|
| » Al Clarke Ltd | » Customers First | » Inchcape | » Relish Events |
| » Alphabet GB | » Daily Mail | » Integral Systems Solutions Ltd | » Renault |
| » Amari Plastics PLC | » Daimler | » IMI | » Rolls-Royce |
| » Area 44 | » DFS | » Jardine Motors Group | » SmartDrive Systems |
| » Aston Martin | » Edbury Daley | » Julia Carden Consulting | » SMMT |
| » Audi | » Endeavour Automotive Ltd | » Lookers | » Subaru |
| » Autocar | » Emac | » L.T.C | » Sytner |
| » Auto Retail Network | » Ennis & Co | » Manheim | » Telegraph |
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| » BMW | » Fujitsu | » Nissan | » Vitality Health and Life |
| » Bosch | » Harley-Davidson Motor Company | » People Puzzles | » Volkswagen |
| » CENEX | » Hyundai | » Porsche | » Watson Farley Williams |
| » CitNOW | | » RAC | |

Our thanks to all of the participating speakers and panellists, our chairman Al Clarke, our hosts Toyota GB and our event media partner, Auto Retail Network.

About Ennis & Co

Ennis & co is an Automotive Search organisation that is renowned amongst our clients and candidates for exceeding their expectations.

Businesses and candidates choose to engage with us because we provide better choice with more transparent commercials, and because we build especially supportive relationships.

Our coverage includes businesses across the breadth of the automotive industry. As well as manufacture and retail, we work with the industry's supply chain, and related associations.

The Ennis & Co difference: our approach to Search.

As an automotive Executive Search firm we distinguish ourselves through:

- » The depth and accuracy of the way we take a client brief, and how swiftly we respond to it.
- » The quality of research we undertake and present to clients
- » The way we enrich the search process for candidates and the positive impact this has on a client's brand.
- » Our fee structure, which is based on basic salary only, not total package.

Please contact Ennis & Co if you would like to be hear about future work in this area and to help us make a difference!

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