

Retail Motor Industry Federation

Member profile



From left to right: Chris D. Kelly (Marketing Director), Mike Kelly (Sales Director) & Chris Kelly (Chairman & Managing Director)

Keep on trucking

Scania franchise Keltruck has just celebrated its 25th year in business. *Automotive Insight* chats to the management team and discovers how the company has maintained success for so long.

1983 was a memorable year for a number of reasons; seatbelt use became mandatory for drivers and front seat passengers, wheel clamps came into force in London, and Culture Club hit number one with 'Karma Chameleon.'

And at a junction of the M5 in West Bromwich, at an old typewriter factory, a small Scania truck franchise was established. Now 25 years old, it has evolved into one of the largest Scania franchisees in the UK, with sales across the globe.

'It's a harsh industry to prosper in,' says Chris Kelly, Chairman and MD of Keltruck. 'We've been through some

harsh economic times; one recess seemed to follow another. But it's a different game nowadays, and I think it would be almost impossible for anyone to try and launch a company of Keltruck's size without massive resources behind them.'

Diverse knowledge and long experience of the truck industry would also be essential too for any new company wishing to muscle in on Keltruck's business. The outfit has grown to 18 locations all over the Midlands, has an aftersales service sitting alongside new and used vehicle sales and operates accident repair and paint respray centres too.

The company, founded by Chris Kelly after almost 20 years in the truck industry, is still very much a family affair. Mike Kelly, sales director for Keltruck is a first cousin of Chris, and Chris D. Kelly, the founder's son, is now marketing director, with other family members spread throughout the organisation.

In fact the company is built on family relationships. A recent survey of over 500 employees found that 1 in 10 were related, and Chris believes the

family loyalty was a solid foundation on which to build his company.

'A lot of people have been with us almost from the start,' says Chris. 'We have former apprentices now running whole workshops; they've grown with the company.'

'We're privately owned, we have a good management board, so we're independent and entrepreneurial. We have a short line on decision making; it takes our sales team only minutes to get a decision on a million pound deal, which is a positive thing.'

The 25 year anniversary is also flanked by the celebration Keltruck's 10 year online presence, set up originally as an outlet for vehicles and parts, but one that now includes 24 hour updates, a news section as well as audio and video content.

'It's by far the most visited website of its kind,' says Chris D. Kelly. 'It's even competing with the main Scania site. It gets the most hits of any importer site, and it can reach a global market, which allows us to tap new areas of development more easily.'

In 2004, Keltruck acquired East Midland Commercials Limited, Scania Distributor for the East Midlands, a company set up by Chris in order to manage another regional franchise for Scania.

'Merging the two companies together was a great success,' says Chris. 'They were two separate businesses at the requirement of Scania, as one holder could not have two franchises simultaneously. Sadly my partner in East Midland Commercials passed away, so we combined the two in 2004, by which time Scania had realised it was more efficient to allow franchises to be combined.'

Remarkably, Chris does not believe the success of the company is down to any great stroke of luck or supreme business nous; he simply believes a passion for a decent product will bring triumph eventually.

'We simply stick with the core business and try not to get too distracted,' he says. 'We don't deal with haulage contractors primarily any more, we also sell trucks to major companies that have goods to move. We've tried to keep a wide variety of

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options so we're not stuck to one side of the industry.'

Mike Kelly believes the truck industry is unique in the way suppliers and customers work together. 'We've fostered some wonderful relationships since we began,' he says. 'We've spent 25 years nurturing our clients who we would now call genuine friends, and these customers are what feed our business.'

Andrew Jamieson, aftersales director for Keltruck, joined the company last year, and has previously worked for Scania GB. Impressed with the set-up, he also believes the management has been key. 'If you look back, Chris is very entrepreneurial, and has taken some good gambles and chances, which is especially impressive in an industry such as ours when you can't always plan for things.'

However, both Chris and Mike admit the sales of trucks are not the main source of income; indeed, the sales mostly generate the relationships and business that follows that of the aftermarket supply.

Keltruck is one of the largest aftermarket truck component suppliers in the country, supplying new, used and reconditioned parts to industry. The company is accredited as an Environment Agency Authorised Treatment Facility, which means it adheres to strict regulations regarding the recycling of End of Life Vehicles.

'We were one of the first to use truck recycling 15 years ago,' says Chris. 'It was a tradition until even recently for breakers to operate outdoor facilities, where ours are indoors with computer control of parts. Now those breakers are calling themselves recyclers.'

The company also operates an extremely dense stocking system, described by Chris as one of the most efficient in Europe, allowing

the company to stock the maximum amount of parts.

But despite the company's success in the truck aftersales market, there is a real threat constantly hanging over this side of Keltruck's business.

'It's unfortunate to say it, but an element of our competition is those who steal trucks,' says Chris. 'We're competing against those that get parts at zero cost, as trucks are generally stolen for parts, else they would be too conspicuous.'

As a former member of the Joint Action Group On Lorry Theft (JAGOLT), run by the Metropolitan Police, Chris has long worked to try and combat truck theft, but says the Governmental apathy is making it very difficult.

'Someone could have a £300,000 loss and all the police can do is take your date of birth and give you a crime number,' says Chris. 'We need a decent Home Secretary interest in business crime; all they seem interested in doing is pumping out statistics.'

'All these crimes mean the insurance companies mop up the loss in higher premiums for the operators, which is affecting the industry,' adds Mike.

However, Jamieson points out truck theft is likely to come down in the future thanks to improvements to vehicle security technology. 'Nowadays trucks aren't as easy to break into, we're actually seeing more trailer theft.'

Fortunately, these issues have not prevented Keltruck from looking to future expansion in the Midlands. Despite boasting 18 sites, the Keltruck network is set to expand even further in the next few years.

'We're in talks to open another site, quite a major opportunity with an operator,' says Chris. 'We're also actively looking to acquire a standalone bodyshop to repeat heavy Scania repairs; ideally we'd like to buy a vehicle body repairer

that has an element of Scania repair already built in.'

This expansion would be on top of the millions the company is ploughing into its current sites, including a £1m upgrade to its headquarters.

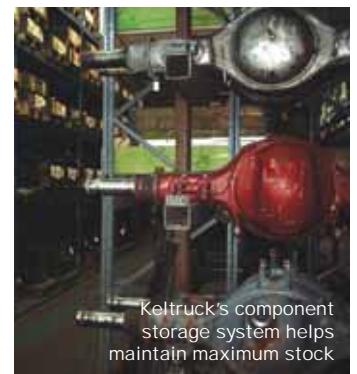
Jamieson adds: 'We would also go and look at managing customer workshops and premises, allowing us to work on other large fleets as a vehicle maintenance unit rather than being badged solely as Scania.'

'We'll also continue to succeed in the add-ons we offer; tail lifts, bodyshops, mobile maintenance, areas like that.'

And Keltruck's continued success will be backed up by the RMIF, membership of which all those at company agreed has allowed them unique advantages over the years.

'The RMIF is the only organisation that can actually represent a dealer body of commercial vehicles at the highest level to organisations such as VOSA,' says Chris.

'On many occasions important issues have been placed on individual companies, and singularly it's not easy to get these sorted out but the RMIF allows us to join together quickly and get the problem sorted out. We also find the legal service very useful for day-to-day issues.'



Keltruck's component storage system helps maintain maximum stock

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