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Jump-starting a career in the garage

Apprenticeships are the focus for a business putting training before profit, reports **Carly Chynoweth**

Nikki King has a challenge ahead of her: to help Auto22 to grow from a one-garage servicing and repair business to a 150-site nationwide network — in five years.

She has done this sort of thing before — the 64-year-old built Isuzu Truck UK into a 60-dealership business from a standing start in 1996 — but it is undoubtedly ambitious.

“The plan is to launch two this year, four next year and about 150 within five years,” she said. “The skill is getting the first one right. Once that’s done, the rollout isn’t too difficult.”

What makes the rollout unusual as well as ambitious is that Auto22 exists not to make investors rich but to give disadvantaged young people a foothold in the jobs market via an apprenticeship. Most of its profits go back to the charity that is its majority shareholder, while the one external investor — a venture capital fund that specialises in social enterprises — does not expect a commercial rate of return.

Auto22’s aim is not to give the young people it helps a permanent job: “The idea is that Auto22 takes them through the first year of their apprenticeship and gets them work-minded, gets them used to coming in on time and so on,” Ms King said. “From there they



Nikki King at Auto22 Gravesend, part of the network that is solving a widespread reluctance to take on apprentices

to persuade it that it should trumpet its social credentials. “They opened their first garage in Kent two years ago and decided not to tell people that they were part of Catch22 because they thought that people would not want to have untrained young people working on their cars,” she said. “I think that was a mistake. Apprentices at any garage are unqualified but they work with experienced, qualified technicians.”

The charitable connection is a marketing plus, she argued; having a social conscience in a sector without a very good reputation for high ethical standards makes the company stand out. “People don’t want to spend money having their car serviced. It’s not like buying a nice pair of Jimmy Choos. It’s something that costs money but when you get your car back nothing seems all that different. But people like the idea that, by doing it, they can also do something to help the community.”

Yet the biggest business challenge facing it is technology: “Cars have

‘We are not going to target kids who are doing OK’

become very sophisticated and the manufacturers have made it very difficult for non-franchised dealers to get the diagnostic equipment that you need,” she said. The basic-level kit is fairly easy to access but the higher-level gear is much more tightly controlled by manufacturers.

In the long run, Ms King also hopes that others in the trade may be willing to support the enterprise’s aims. “The industry doesn’t really have a

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What makes the rollout unusual as well as ambitious is that Auto22 exists not to make investors rich but to give disadvantaged young people a foothold in the jobs market via an apprenticeship. Most of its profits go back to the charity that is its majority shareholder, while the one external investor — a venture capital fund that specialises in social enterprises — does not expect a commercial rate of return.

Auto22’s aim is not to give the young people it helps a permanent job: “The idea is that Auto22 takes them through the first year of their apprenticeship and gets them work work-minded, gets them used to coming in on time and so on,” Ms King said. “From there they will hopefully move out to other garages and dealerships.”

This model works because the industry is suffering from a shortage of qualified technicians but many employers are reluctant to take on first-year apprentices because, in many cases, getting them work-ready is difficult and expensive, with about a 60 per cent dropping out. Young people who have proved themselves by successfully completing their first year with Auto22 are a much more appealing prospect to other employers.

The apprentices are all connected



Nikki King at Auto22 Gravesend, part of the network that is solving a widespread reluctance to take on apprentices

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with a vocational skills training scheme designed to provide placements for young people who have been excluded from school, are on probation or are facing other difficulties.

“If this is to work, we are not going to target kids from the general population who are doing OK, who might not have a job but whose backgrounds are not blighted by criminal records, for example,” said Chris Wright, the chief executive of Catch22, the charity behind both the training scheme and Auto22. “We are really trying to reach children who have fallen out of school or who are disadvantaged in some

avoided VC money back when I bought Isuzu [she lead a management buyout in 2004] because everyone I knew who had used it had been squeezed by it. There was real short-termism.

“But having dealt with Bridges I don’t worry at all because their culture is also about promoting social enterprise.”

Bridges Ventures will invest £450,000 in Auto22 in several tranches over the next year to 18 months, in return for a blend of equity and loan stock. One of the first things that Ms King did on joining Auto22’s board was

to persuade it that it should trumpet its social credentials. “They opened their first garage in Kent two years ago and decided not to tell people that they were part of Catch22 because they thought that people would not want to have untrained young people working on their cars,” she said. “I think that was a mistake. Apprentices at any garage are unqualified but they work with experienced, qualified technicians.”

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In the long run, Ms King also hopes that others in the trade may be willing to support the enterprise’s aims. “The industry doesn’t really have a charity... I would like it to get behind this one.”

She has already persuaded Trevor Finn, of Pendragon, a motor trade communications business, to install computer systems that will link dealerships in Auto22’s network as it expands. “The first three will be free and the others will be at a low rate going forward,” she said.

“People have been very willing to help. It’s not been hard because people can see that this is good for the industry as well. The shortage of technicians has been an issue for years.”