

Meet the new boss – and imagine a better future

By Ian Henry, Owner and Managing Director of AutoAnalysis and Visiting Professor at the Centre for Brexit Studies.

Having been notable for his silence since arriving as CEO of JLR last year, Thierry Bolloré strode onto a stage at the Gaydon HQ on February 15 to announce Project Reimagine, charting a path to an all-electric, carbon-neutral and hopefully profitable future. Whether the new strategy will work will become apparent over the next few years, but after a period of soul-searching and tough cost-cutting, it does seem as though JLR has a plan, and a man at the top with the drive to deliver it.

Jaguar will be reinvented as a purely electric brand – and have an entirely new model line-up. The planned XJ replacement has been cancelled (as has presumably the associated Range Rover version). The current Jaguar line-up will be allowed to continue until the end of each model's life. Future Jaguars, which will be made at Solihull not Castle Bromwich, will be made on a distinct platform separate from Land Rovers.

Given Jaguar's at best modest volumes, the likelihood is that the base platform, and no doubt many components, will be sourced from another vehicle company, possibly BMW. The cost of developing electric platforms is significant and if Ford feels it has to rely on VW technology to get into EVs then there is no reason why Jaguar should not do the same.

With Land Rover, two platforms will be used: one for the Evoque and Discovery Sport made at Halewood (and presumably China) and a larger one for the larger Range Rovers to be made at Solihull, and presumably also for the replacements for the models made at JLR's factory in Slovakia.

Bolloré emphasised that chasing volume would no longer be a part of JLR's plans. Profitability, specifically double digit EBIT percentages and a positive cash position net of debt by 2025 were the order of the day. The new boss is certainly ambitious and in a hurry.

In an industry increasingly dominated by giants and in which the financial resources to switch to electric vehicles are vast, this may be JLR's last chance to survive as an independent operator. Its brands have undoubted cachet and value; Tata surely wants to make a success of its long term holding and may well have found a CEO who can make a success of JLR.

But achieving success will not be without major challenges: finding a way to fit batteries with sufficient range into the Range Rover and finding a way to make use of Castle Bromwich are two of the specific issues which have to be addressed quickly. But perhaps the bigger challenge, which the old JLR boss, Ralf Speth, also faced is how to deal with a multiplicity of brands and vehicles families – Jaguar, Land Rover, Range Rover, Discovery and Defender – when its total volumes are comparatively low.

The days of going for 1m units are behind it. Going ahead, JLR is likely to make 500-600,000 worldwide, in the UK, Slovakia and China. Doing so and achieving a double digit EBIT return by 2025 with a still diverse and arguably too complex a model range will tax Bolloré's management credentials to the hilt.