

EYESIGHT Subaru's exciting new

technology shows the way in 2015

TAYLOR MADE

How David Taylor Garages has become one of Isuzu's top dealerships

WRX STI LAUNCH

European Press drive the allnewWRX hosted by Subaru Europe in Sweden

SUBARU XV

UK

Subaru UK focused heavily on the XV this year, launching the first stand-alone campaign for the model campaign for the model since introduction, and following on with a digitally-driven strategy delivering record levels of traffic.

YONE GE 47 -ABF 356 5 YEAR WARRANTY EA SUBARURAL

SUBARU Confidence in Motion With the XV, you're not just another crossover driver in a traffic jam. Where the only thing wandering is your mind. Just imagine setting your all-wheel drive XV free. How stable it is cruising down a dirt track. Going all over, in all weather. Stop imagining. Start doing.



Get free. Visit Subaru.co.uk

IM REVIEW 2014/15

At the start of 2014 we already knew that the UK economy was growing quite strongly and that other markets where we are active would also provide the right environment for good performance. To use some golfing parlance, the ball was on the tee, all we had to do was hit it!

In reality 'all' is a small word but it carries some pretty big consequences. Businesses that have been successful over a long period of time usually understand that complacency is a quiet but powerful enemy. We have not fallen into that trap this year and if truth be told we have not had a bad year in any of our businesses. In most of them our performance has been excellent. In fact, we may well return a record result for our group overall this year.

Continuing my golfing analogy, when you step up to the tee, ball in place, all you have to do is hit it. Simple. Except anyone who knows golf will understand that that one swing is the easy part. The thousands of swings that have gone before it, practising, testing, refining, adjusting, testing again... These are what give you the confidence to knock the ball from the tee to the middle of the fairway successfully.

So, if 2014 has been a great year, it is no less than suitable reward for all the changes, adjustments, refinements and improvements we have made when times were much more difficult. The feel and tone of this review will not be too different from those of prior years – we believe it is important to work hard, be optimistic, full of confidence, endeavour and excellence in both good times and hard.

Nevertheless, this year has been a good one. It is important to take a little time to reflect on our successes so that in future we can all remember just how good it feels. We will then retain the hunger we need to keep improving what we do, whatever the weather.

By Andrew Edmiston Managing Director – IM Group

ISUZU

UK

This advert was due to appear in Scottish Farmer, so we needed a headline that played on the key strengths of the Isuzu D-Max – its toughness and towing capacity. The headline we used neatly ties in to the idea of farming/ shepherding, while amplifying the 3.5 tonne towing message.





Range from £14,479 CVOTR"

Isuzu only produce commercial vehicles. That's why we can provide you with the pick-up you really need. The Isuzu D-Max is tough, hardworking, dependable and always prepared to go the extra mile. That's because it's built, sold and used by professionals.

For more information call 08446 626632 or visit is<u>uzu.co.uk</u>

*Syear/125,000 mile (whichever comes first) warranty applies to all new Isuzu D-Max models. *3.5 tonne towing capacity applies to all 4x4 models. "MPG figures shown are official EU test figures for comparative purposes and may not reflect real driving results. "*Price shown is based on an Isuzu D-Max x42 single cab. Model shown is the Isuzu D-Max Utah double cab priced at 221,745 VOTR. Commercial vehicle on the road price includes doliver, number plates. 21 zhomths road fund licence and first registration fee, excludes VAT and metallic paint at 2400 00 RRP. Temas and conditions apply. See issuze ou kd hort hild tealits.

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SUBARU WRX STI MAKES WELCOME RETURN TO THE UK



It seems like only yesterday when the last of the old-generation WRX STIs disappeared from the UK price list amid an outcry of media and public sentiment, claiming it was the end of an era... That was early 2013. But, less than a year later, Subaru UK was able to confirm its return in the shape of a brand-new model – much to the delight of Subaru performance car fans and the dealer network. And we haven't been disappointed. With recent movements in currency exchange rates, the new model went on sale in May priced £28,995, some £4,000 cheaper than the old STI while, at the same time, offering an all-new exterior design, betterquality interior, a new gearbox and significant changes to the chassis following extensive testing at the legendary Nürburgring circuit in Germany. The result? A WRX STI that is more characterful and more focused than ever, but still practical enough to be used as everyday transport too. In other words, just what the loyal band of Subaru sports car fans were asking for.

"The UK press, some of the sternest critics around, have been impressed," says PR manager, Robin Bartlett. "EVO is a magazine aimed squarely at the enthusiast. It said: "The new WRX STI feels much keener to dive into corners. It

EARLY UK SALES HAVE EXCEEDED INITIAL FORECASTS...

still feels very quick, thanks to the punchy delivery from the engine and short gearing. Overall the Subaru is a very different experience from most cars on sale today. Refreshingly so, in many ways. There's an honesty to the way it drives that makes it very engaging."

Early UK sales have exceeded initial forecasts, a performance which the company hopes to carry over into 2015. Of course time has moved on since the heady days of Impreza WRX, and Subaru is now essentially an SUV and crossover brand; but there will surely always be a place in its model range for the performance car.





NEWS

FORESTER TO BENEFIT FROM DIESEL LINEARTRONIC CVT IN 2015

Subaru's acclaimed and unique Boxer diesel engine was combined with its Lineartronic CVT for the first time a year ago when the Outback SX went on sale. The good news for Forester fans is that this smooth and efficient drivetrain will be available on the model from March 2015, adding to the Forester's already impressive credentials and is expected to widen its appeal immensely.

Subaru's advanced Lineartronic

CVT is particularly well suited to the power and torque characteristics of the Boxer diesel engine, resulting in improved driveability, fuel economy and emissions. Indeed, unlike other car manufacturers, Subaru's CVT models are generally more economical and have lower emissions than the manual versions.

With the introduction of a diesel Lineartronic option on Forester, customers will benefit from one of Subaru's unique technologies – the



X-Mode hill-descent control system. X-Mode adds to the Forester's formidable off-road arsenal and has proved its worth when descending steep or slippery slopes.

At the same time, Forester will get significant upgrades to the cabin to improve interior quality with new factory-fit audio and satellite navigation units and the addition of new features such as 'follow me home' lights. All engines will also now comply with the latest Euro 6 regulations and a wider range of colours will be added.

Prices for the new Forester diesel Lineartronic models are expected to start at £26,495 when they reach showrooms in April.

David hits the wall at IM

After 11 years helping IM Group to spread its business wings around the world, David Wall has retired as director of business development. However, he is continuing his involvement with the Midlands Industrial Council – of which Lord Edmiston is a vicepresident – and he says he will still be an occasional visitor to IM House.

"I decided when I was 65

that I would, in due course, step aside to allow a younger person to take over. But I wanted to make it a seamless transition by handing over to Martin Dalton, who has an excellent young team around him. With so many of the projects taking time to come to fruition, it was inevitably a long hand-over.

"When my 70th birthday came in April, it seemed the right time to go. Long-haul travel was getting a bit much and I was taking longer and longer to recover. It's okay feeling 18 in the head, but the body really does begin to feel its age!"

David says he is enjoying more time at home with his wife, Josephine. "We've been together for 40 years and we've never tired of each other's company. We're never short of conversation." Since April he has been refurbishing his workshop at their home in Lincolnshire, where he indulges in his hobby of building intricate and highlydetailed scale-model dolls houses.



ISUZU CONTINUES ITS OFFENSIVE

Isuzu's record-breaking year ended with the securing of a major fleet order for D-Max pick-ups from the Ministry of Defence. A total of 106 vehicles – 83 Double Cabs and 23 Single Cab 4x4s – will be supplied to Automotive Leasing, who have been commissioned by Babcock International to replace approximately 900 vehicles within the MOD. Babcock is the largest supplier of support services to the MOD.

"We are absolutely delighted," says Isuzu UK general manager, William Brown. "It's a huge achievement by Colin Wilson, who we appointed in January to look after fleet sales, and everyone in the Isuzu team. With major players such as the MOD having confidence in D-Max, we expect to be doing business with other large fleet buyers. Confirmation of this order comes as the cherry on our celebration cake for breaking Isuzu's 22-year-old UK record of 5,217 sales. In December the 5,218th D-Max was registered."

From the day it was launched, D-Max has impressed Isuzu enthusiasts from all corners of the



pick-up market. From farmers and industrialists to life-style purists and fleet managers, they have responded in their droves to set a new Isuzu sales record. With several sales days to go to the end of the year, the exact number for the new record won't be known until the first days of the New Year.

Read William Brown on Isuzu's previous record-breaking year - P18

NEWS



A highly-successful year for IM Properties ended with acquisition of the Midlands' most prominent and renowned business park, Blythe Valley, located at Junction 4 of the M42 near Solihull. Some £90-million worth of investment stock produces £7 million per annum in rent. But the site comes with the additional bonus of 80 acres of undeveloped land.

"The beauty of this deal is

that Blythe Valley has been in receivership after being acquired at the top of the market in 2006 for \pounds 161 million.

"There was about £120 million of debt on it, so we're paying the Receiver the debt to acquire the business park," explains Tim Wooldridge, Managing Director of IM Properties.

The land is scheduled for development in two stages. Phase

one is part-built and comprises 40 acres, while phase two is open land where it is planned to build 600 dwellings. "We'll be getting our teeth into phase one because there's an unfulfilled requirement for 200,000 sq ft adjacent to the M42," says Tim. "Over time we'll draw up a scheme for phase two as this will be a mid-term project." Because Blythe Valley is such

a large property, Tim plans to

set up a new department within IM Properties. "Team Blythe Valley will draw on all the skills we've got in the business – the commercial development arm, the residential development arm and the investment and assetmanagement arm. We've been looking to overlap the individual divisions of the company more and more and this is the perfect opportunity to do that."







Africa's horrific Ebola epidemic, and Government warnings not to travel to the region, meant October's planned trip to Sierra Leone by 10 IM employees to build a school classroom had to be re-organised. The intrepid 'Team Sierra Leone' has now become 'Team Cambodia' and will be heading to the Far East the first week in February.

"It was hugely disappointing that we couldn't continue with our plan to make an impact within a community in Sierra Leone, which is one of the poorest countries in the world," says team member, Darren James. "But the safety of our staff is paramount and we're all equally enthusiastic about undertaking a community project in Cambodia. Our co-ordinator has been in the region discussing our plans with the authorities out there."

The idea to extend IM Group's charitable work overseas and make a lasting impression has been supported by many organisations and individuals as well as the nine employees making the trip. Sadly, one of the original 10 had to pull out with insufficient time to arrange a replacement.

The team was set a target of raising £15,000, which IM pledged to match, guaranteeing the £30,000 required to cover travel and all expenses associated with the project, including the building materials. IM Group suppliers, and a couple of dealerships helped with sponsorship while team members organised fundraising activities including a Soccer AM-style challenge and a sponsored car wash. But their 'Grand Event' was a £25-a-head regimental-type dinner at IM House. The Group's caterers, Coombes Catering, provided the food, Tesco provided the wine and port and Isuzu dealer principal, Gene Taylor, conducted a spectacular auction. The dinner raised an incredible £9,000!

"We've actually raised £15,800 in total, so we're pulling back on fundraising in order not to 'steal' ideas and opportunities that IM's second overseas mission team can use," explains Darren.

"As well as helping severely disadvantaged communities, the trips are designed to help participating staff to develop their own experiences, skills and emotions," he adds. Left-to-right, standing: Colin Wilson, Rob Firth, Kerry Sears and James Rogers. Kneeling; Sammy Jo Grainger (who sadly had to withdraw) Claire Ketchion, Joanna Smolka, Nikki Janes and Stuart Parton.

TAYLOR MADE FOR

DAVID TAYLOR GARAGES LTD

Ten years ago, when the last Isuzu Troopers were making their way to dealers' showrooms, David Taylor – founder of David Taylor (Garages) Ltd. in Wales – advised his son Gene, who was responsible for the Isuzu side of the business, to pack it in, telling him: 'You'll never sell the volume of vehicles you want... But if you put a viable business plan together, I'll go with it.'

"So I put a plan together and, to be fair to Dad, he never stopped me," says Gene, who was so passionate about the marque that he was determined to carry on with the vehicles that he loved and which had served the company so well for almost 20 years.

"Since then it's just got better and better for us. We've been the top Isuzu dealer on six occasions. We sold 105 vehicles in one month. which had never been done before and 200 new vehicles in one year. which no other dealer has done vet. And we were the top dealer in Europe in that year. We've also been the number one parts dealer for three or four years. I say every year that we can't possibly keep going the way we're going - surely it's got to stop somewhere? I mean, the average dealer is doing about 50 trucks a year. We're doing between 150 and 200... Where are all these customers coming from? How many more are out there?

"We've put so many [Isuzus] in the area that I'm always surprised at the new people who come along. Having said that, with the D-Max two years old, we're now getting buyers coming back to trade them in for new ones."

David Taylor still takes a keen interest in the business and the way that his sons – Gene and Scott – and his daughter - Janine Sharpless run the company that he and his late wife. Nicola, worked so hard to create. "Dad was an electrician," says Janine. "He went to work at a garage in Abergavenny but then set up on his own in a shed in the village. Things were very tight in those days. But Dad worked very hard and bought some ground here at Llangattock, near Crickhowell, to build a bungalow for the family. We had a home – but no furniture for a couple of years, just orange boxes to sit on!

"Later, Dad asked the farmer whose land he'd bought if he could have more because he wanted a lorry

...AND THE SHEEP BECAME PART OF THE DEAL FOR A D-MAX!

park. He bought one lorry, then two, and was doing haulage work as well. They paced out the area Dad wanted, but he didn't have enough money for it. So he asked the farmer if they could back-track a bit and agree on a smaller area. However, the farmer told Dad to give him what money he had and leave the area as they'd originally paced it...

"The business grew and grew because Dad diversified into everything and anything. We all worked in various parts of the business after school and on

DEALER PROFILE



"SINCE THEN IT'S JUST GOT BETTER AND BETTER FOR US. WE'VE BEEN THE TOP ISUZU DEALER ON SIX OCCASIONS. WE SOLD 105 VEHICLES IN ONE MONTH..."

Saturdays and Mum did all the paper work. She'd trained to be a pharmacist, but the business called – and behind every successful man is an even better woman!"

In 1997, all three children were made directors of the company. Janine took over the administration and finances, while Scott took over the company's six petrol filling stations located in various Welsh towns. As for Gene, there was only one possible role for him – the garage and Isuzu! If you cut through his arm it would probably read 'Isuzu' like a piece of Blackpool rock. "People think I'm nuts because I'm always in Isuzu-logo clothes!" he says with a smile. "No matter where I go, it's Isuzu. I love the product. I can stand behind the product and I'm passionate about the product. That's not sticking up for Isuzu; it's sticking up for a product that I really do believe in... I get so much satisfaction from selling it. I thoroughly enjoy doing the deals. It gives me a lot of pride.

"We had the Trooper then the Rodeo – and now the D-Max – the reliability is tremendous. I can sell Isuzu Pick-ups to the farmers and builders and we know we're not going to get a phone call saying they've broken down. As we're very well known in the community, no matter where you are or what day it is, they'll get hold of you when they've got trouble... But we don't have to worry about that because it doesn't happen – they just don't break down!"

With 85% of Gene's business coming from farmers, he knows he is dealing with buyers who are demanding when it comes to rugged reliability and canny when it comes to doing a deal. No surprise then that a recent sale of a D-Max involved taking in 11 Texel ewes! "I live on a farm and do a bit of farming as well," explains Gene. "I went to buy some more Texels and was talking to a local breeder, David Meek, who wanted to buy another Isuzu. So I said if you buy the D-Max, I'll buy some sheep. It was as simple as that and the Texels became part of the deal."

While Gene, Janine and Scott are key elements of the business, David

Taylor (Garages) Ltd. now have approaching 90 employees. "We have good staff, and many have been with us for over 15 years," says Gene.

"Expansion? I'd not have another franchise right now," says Gene. "I love the product I've got, I concentrate on the product I've got and that's why we're always at the top end of the league. I don't really want to bring something else on. Expansion for me is all about volume and yes, I would like to see another [Isuzu] vehicle come along that, like the Trooper, is passenger-orientated."



When the New Legacy Outback goes on sale early in the New Year, it will have EyeSight – a revolutionary safety system. Phil Evans, IM Group's Director – Aftersales and Technical, describes EyeSight and what it heralds for Subaru dealers and their customers.

EYESIGHT

March 2015 will see a huge step forward in vehicle safety when Subaru's New Legacy Outback arrives in the showrooms. The latest version of the well-established and much-liked SUV not only moves the vehicle forward in many significant 'conventional' areas, it heralds the arrival of the company's revolutionary EyeSight system – technology that further enhances Subaru's reputation of world-class safety. For customers and dealers, the 'all-seeing' Outback will bring both change and benefits.

Subaru's safety philosophy encompasses three distinctive separate but interlinked areas of vehicle design. These are: active safety; passive safety and preventative safety.

Active safety is the pursuit and implementation

of the latest design technology in the specific areas of handling and stability. This is part of the fundamental core of all Subaru models in that they share the unique layout of a Boxer Engine and symmetrical all-wheel drive.

The design – proven and fine-tuned through years of rally success – gives all Subaru vehicles perfect balance. With this as the foundation to handling and stability, Subaru developed its VDC (vehicle dynamic control) system, which electronically monitors the vehicle's handling (speed, acceleration, deceleration, pitch and yaw) and actively applies the correct brake, or combination of brakes, whilst reducing power and warning the driver that the vehicle is under VDC assistance. All of this works to keep the vehicle stable whilst still under control of the driver.

Passive safety is inherent in the original vehicle design. When you sit in a Subaru, and close the doors, you are within the Safety Cell. This is a ring-shaped reinforcement frame that has been designed to maintain a safe structure protecting the occupants, regardless of direction of the impact. It is similar to the roll cage used in rally cars and other motorsport vehicles but, in the case of Subaru production cars, is integrated within the vehicle's pillars and doors.

Preventative safety – developed and perfected over 25 years – is the vehicle's ability to see obstacles or potential areas of concern ahead. We use our eyes to see. The Subaru Outback uses EyeSight, a system that employs two CMOS (complementary metal-oxide semiconductor) image sensor cameras that process stereo images and have the ability to recognise moving or stationary objects in front of the vehicle. Just as we see and can react to what is in our way or approaching us, the Outback with EyeSight can do the same. No it doesn't take over control. And no, it doesn't replace the driver! What it does do is provide

> driving support that aids safety and enhances the driving experience.

EyeSight assists the driver in the following ways:

PRE-COLLISION BRAKING – it helps to minimise or prevent a collision

with an obstacle in front. The EyeSight system will, in the event of an imminent front impact, warn the driver. If the driver fails to take evasive action, EyeSight will apply the brakes. Should the driver then take evasive action the system will continue to assist with the braking to maximise the brake application, thereby reducing stopping distance and reducing the intensity of the impact or even preventing it happening.

PRE-COLLISION THROTTLE

MANAGEMENT – when an obstacle is in front of the vehicle, and the vehicle is stationary or travelling slowly (such as when approaching a traffic island) and the system detects an excessive increase in accelerator pedal opening, engine power will be reduced, slowing forward movement of the vehicle and giving the driver time to react and apply the brakes.









WE USE OUR

EYES TO SEE. THE

SUBARU OUTBACK

USES EYESIGHT

EYESIGHT



LANE DEPARTURE WARNING – the

EyeSight system can detect if the vehicle is about to depart the traffic lane in which it is travelling and will give an audible and visual warning to the driver. This gives the driver time to regain concentration and take appropriate action.

LANE SWAY WARNING – if the driver is distracted, or suffers from driver fatigue, and starts to sway within the lane (but has not yet departed the lane) a lane-sway audible and visual warning will give the driver time to regain control.

LEAD VEHICLE START ALERT – not essentially a safety system but a useful

additional feature that will warn the driver if the vehicle in front in a traffic queue has moved away and the driver has failed to react. This can sometimes happen at traffic lights or at road junctions.

ADAPTIVE CRUISE CONTROL – possibly my favourite system in that EyeSight will maintain the distance between you and the vehicle in front up to the set cruise speed entered by the driver. If the vehicle in front slows down, and you choose to stay behind it, then EyeSight will slow the vehicle down while maintaining a safe following distance. If the vehicle in front accelerates, then EyeSight will safely accelerate the vehicle back up to the previously-selected cruise speed. In the event of a vehicle cutting in to the gap between the vehicles EyeSight is following, the system will even apply the brakes and reduce the speed to maintain a safe distance from the new vehicle ahead. What it won't do is sound the horn and offer a level of rebuke to the driver for cutting in – that's left to the individual behind the wheel!

All the systems I have described are designed as driving assistance aids and not aimed at replacing our skill in determining the safest way to drive. What they will do is help us at those times when we need them. And remember that the EyeSight system doesn't just detect other vehicles. It will detect any number of obstacles,



from motor cyclists and pedestrians to cyclists and any object or debris that is of a reasonable size and that EyeSight considers to be a hazard. EyeSight will always warn the driver first and then, if no reaction is detected – or if reaction is too slow – apply the brakes to lessen or prevent the impact.

What EyeSight can do is impressive and extensive. However, to benefit from all it can offer, drivers need to know what it can do, how it does it and what drivers should do when the system activates. And because Subaru require IM Group to import and sell vehicles with EyeSight, each dealer will have to have at least one Sales Manager and one Subaru Technician complete the EyeSight system training. All the information relating to the design and operating parameters of the EyeSight system will be provided so that sales staff can pass on the appropriate information to customers. And technical staff will be fully-versed in servicing the system. Subaru have also insisted that each delegate attending the training must achieve a 100% pass rate in the examination at the end of training sessions.

In preparation for the arrival of New Outback and EyeSight, dealers are currently undertaking training so that all will have the required number of fully-trained staff prior to the launch of the vehicle. This will ensure that potential customers will have all their questions about EyeSight answered correctly and that any test drives undertaken will show clearly the full potential of this incredible safety system. It is worth noting that EyeSight exceeded all of the current Thatcham test requirements and outperformed all of the competitor vehicles submitted for test.

After more than 30 years working directly with the Subaru Aftersales and Engineering teams, I'm convinced that the New Outback is the best vehicle of its type available today. And now that it has the added benefit of EyeSight we have a vehicle that is built to take care of all on board as well as some of the other road users.



D-MAX EXCEEDS 1992 ISUZU SALES RECORD! William Brown,



William Brown, General Manager of Isuzu, reveals what has contributed to sales reaching new heights for Isuzu in 2014. Not since the heady days 22 years ago – when British customers bought 4,391 Trooper passenger cars and 826 Trooper Utility models – have Isuzu sales matched 1992's record 5,217 registrations. Not until 2014, that is, when our dealers and the brilliant D-Max Pick-up broke the long-standing record! Even as I write, weeks before Christmas, dealers are selling the awardwinning D-Max, so we won't know what the new record is until New Year's Eve.

When we had our dealer conference and set out our plan for growth, we were planning for 4,500 units in 2014 – modest growth, but not record-breaking. Early in quarter one, dealers sold everything we had. And because we order six months in advance we were actually playing catch-up during the first two quarters. As a result of demand, our sales forecast was revised to 5,500 units. The consequence of that was in the second half of the year we had a good chunk of vehicles – more than half our year's target – that had to be sold. Quite a task!

Fleet sales have played a significant part in our success. Until the D-Max we've not had a good fleet offering or been geared up for fleet sales. So in January we appointed Colin Wilson, who has considerable experience in the fleet market. And he's already been very good for the business. Colin is very well known in the industry having been a fleet operations manager for Northgate Vehicle Rental and a fleet manager for Volkswagen Commercials and BT Fleet. He's been in the fleet business for almost 30 years, so he pretty much knows most people in the industry and has been able to talk to the people in his contact book about D-Max. His job is to tell them that they need to look at D-Max because its technology offers better CO₂, better fuel economy, better reliability and better

towing. I'm pleased to say that we've already had some success and we're tendering for some quite big contracts. These are big names in the fleet world, and winning the tenders will certainly raise a few eyebrows within the competition. Of course, fleet business is not as profitable as retail business. But it's all incremental – market space that we've not been in before. At the same time, by doing fleet business there are more vehicles on the road, the business is getting bigger, awareness is growing and confidence in our vehicles increases. If a potential customer sees a D-Max with a well-known brand on it – such as BT or Network Rail – it gives them more confidence to buy Isuzu.

Fleet sales also help with the overall vehicle parc and associated accessories sales and aftersales work, both of which bring good income for the dealers. We're also conscious that we have to sustain the business as we move forward. We can't be dependent upon only one sector. Yes, we're strong in retail, but for the long-term growth of the business we have to be active in all the sectors so that if there's a dip in retail we've still got other avenues.

In October last year Isuzu opened a new factory, which has enabled them to virtually double output. This has future-proofed supply for probably the next five to six years. But that doesn't mean our task is going to be easy. Next year is going to be challenging because we have two new competitors being launched in 2015 – the new Nissan Navara and the new Mitsubishi L200. They will, of course, have new technology, but they might not necessarily be class-leading in all the areas where we are currently top.

To counter the challenges, we will focus on ensuring our network is fully trained, up to speed on our competitors and really motivated. The "IN OCTOBER LAST YEAR ISUZU OPENED A NEW FACTORY, WHICH HAS ENABLED THEM TO VIRTUALLY DOUBLE OUTPUT. THIS HAS FUTURE-PROOFED SUPPLY FOR PROBABLY THE NEXT FIVE TO SIX YEARS."





thing that we will be reinforcing with all our dealers is that we are Pick-up Professionals. We want customers to experience that difference. We will continue our strategy from this year of protecting our core customers – farmers . We will maintain our engagement with these guys as well as continuing to push the new market opened up with Blade, a special-edition model, aimed at the urban lifestyle customer. In 2015 Blade will become part of the full model lineup and will help us to capitalise on the success D-Max has had with buyers once committed to top end Navara and Mitsubishi models.

With Land Rover's Defender about to come to the end of production, it's really encouraging when I visit dealers and see Defenders and Discoveries that have been traded-in for D-Max!

Our Isuzu dealer network grew from 95 in 2013 to 103 in 2014. We don't have many open points now and hope to fill those that we do have in 2015. We'll be working with poorly-performing dealers and those who haven't engaged with the brand or don't understand it. We'll try to improve their performance and get the best out of them. But, at the end of the day, we'll only do that for so long... If we don't make progress, we'll part company and find a replacement. With the product so good, and virtually all the dealers up on where they were last year, there are not many hiding places in this franchise today. If you're not selling, it has to be down to the dealer.

D-Max won three awards this year: Vans A-Z's Pick-up of the Year for the second year running; Van User's Pick-up of the Year - again for the second year running – and, for the first time, the Fleet News Pick-up of the Year title. That's the biggest accolade for us this year. We were not expecting it, so were extra pleased to have won it, especially since the whole of the industry was at the awards presentation - more than 400 people. All the big fleet companies and manufacturers were there. The way the award was judged changed this year. Instead of just using the publication's editorial team they got businesses who actually buy the vehicle involved. We suspect that they have a better understanding of the vehicle. We were delighted because such an important endorsement fits perfectly with our

"D-MAX WON THREE AWARDS THIS YEAR: VANS A-Z'S PICK-UP OF THE YEAR... VAN USER'S PICK-UP OF THE YEAR... AND, FOR THE FIRST TIME, THE FLEET NEWS PICK-UP OF THE YEAR TITLE."



Chris Poole reflects on the year when Isuzu set the previous sales record, which has been in place for more than twenty years.

In 1992 Britain recovered from two years of recession, petrol was 209.5p a gallon (46.1p/ litre), diesel was slightly cheaper at 208.35p (45.8p/litre), 20 cigarettes cost £2.08, Colin McRae won the British Rally Championship for a second year for Subaru and Andrew Edmiston started work at IM Group, whose Isuzu brand sold 5,217 vehicles – a record that was to stand for 22 years.

During 1992 the Church of England voted to allow women to become priests, while across the Atlantic Bill Clinton became the 42nd President of the US, following George H Bush. In Britain's parliament, history was made when Betty Boothroyd, MP for West Bromwich (where IM Group then had its headquarters) became the first woman elected Speaker of the House of Commons. For the nation's First Lady - Her Majesty, Queen Elizabeth II – a devastating £50-million fire at Windsor Castle led her to reveal, four days later, that 1992 was her 'annus horribilis' or horrible year. The following month, Prince Charles and Princess Diana publicly announced their separation.

Being a leap year, the Olympics were held, with the winter games opening in Albertville, France in February and the summer games opening in Barcelona, Spain in July. 1992 would be the last time that both events were held in the same year. At Wimbledon, Steffi Graf won the women's Singles Championship and Andre Agassi won the men's.

Buying a house was becoming harder with the average price topping £61,000, according to government statistics. Yearly inflation was running at 3.7%, year-end Bank of England interest rate was 6.88% and the FTSE 100 averaged 2,500.

Bill Gates became a National Medal of Technology and Innovation 1992 Laureate, Microsoft released its latest operating system – Windows 3.1 – the first SMS message was sent over the Vodafone GSM network and in France Euro Disney opened.

1992 was the year when the Maastricht Treaty was signed (in February) to establish the European Union. Two months later, Prime Minister John Major (who had signed for the UK) won the Conservative Party's fourth consecutive general election victory despite Labour's Neil Kinnock consistently being ahead in the opinion polls. On September 16th – 'Black Wednesday' – the government was forced to withdraw from the ERM. The Treasury calculated it cost the nation £3.4 billion. However, within two days the Stock Market had risen 8% thereby virtually negating the effect of Black Wednesday.

strategy to target fleet buyers.

We've expanded the model range this year with the introduction of the D-Max Yukon Extended Cab – our second extended-cab derivative – on the back of requests from customers and dealers who wanted a few more creature comforts. So far, the feedback has been very positive.

We know lots of people keep asking about a replacement for the Trooper – the MU-X – which is currently only on sale in Thailand, Australia, New Zealand and some of the Arab states. The reason we haven't got it is because in its current format it's only Euro IV. There are, of course, other factors that have to be taken in to account in terms of the homologation for European markets. It's not just a case of putting the Euro V engine from D-Max into the MU-X. Having said that, MU-X has, by no means, been ruled out. One day we'd like to get it, that's for sure. But it's more a long-term hope.



BY ANDREW EDMISTON

The carpet tiles on my office floor have probably picked up a 'Hutton' shaped imprint over the course of this year! On countless occasions Gary has made the short journey into my office, armed with his unique grin, excited to tell me about one of the many occurring events within IM Properties.

This year, more than any other, has felt like IM Properties has really 'come of age'. Not to suggest that there was anything lacking previously, more that the young team put in place by Gary has now seen financial performance move to a new level entirely.

IM Properties has had outstanding years before. But 2014 is somehow different. The property business is firing on all fronts: investment and development, plus continued momentum from our residential property arm, Spitfire, that has become so familiar. The business will not only perform well within the calendar year, but also beyond.

As a group we have always tried to manage our balance sheet well and this consistency has helped us – along with the fact that if we say something, we will follow it through – to have good banking relationships. This, in turn, makes us good people for other property companies to deal with, a fact proven by the number of significant deals that we have been able to complete this year. And such levels of new business will impact our performance for many years to come. For instance, our acquisition of the Blythe Valley business park and our purchase of 55 Colmore Row, one of Birmingham's landmark buildings, hold much for the future. They, and other major acquisitions, will enable us to meet increasing demand and to grow our business in the years to come, in the same way as our acquisition of the land at Dordon, near Tamworth, helped to underpin our performance over the past decade. This has been particularly so in the past few years with late-2014 seeing the biggest deal of all to come out of our Dordon development – a huge new 770,000-sq-ft warehouse for Euro Car Parts. The purchase of Blythe Valley in particular (as you can read about on page 30) is the sort of deal that elevates our horizons and should complement our existing portfolio extremely well. The impact will be felt within IM Group well into the future.

IM Group will most likely have a record year this year. In contrast to the last record year at the turn of the millennium, the property business will produce well over half of our group result – great news for IM 'Group'. The whole point of having a group of companies is that we reduce the cyclical risk of business by being able to produce strong results from various sectors at different times. IM Properties is multi-faceted and now very well-established. Its growth balances our group portfolio and serves to support our other group companies.

The car side of the business, for example, had some difficult years towards the end of the last decade and the beginning of this one. However, we have been able to put in another strong performance following on from our 2013 results. Last year



"...they will have to be pretty spectacular to displace the D-Max from its lofty perch. saw a marked improvement, driven by improved currency exchange rates and the effects of a restructured UK management team. And our hopes are for an even better 2014.

Isuzu UK has been going extremely well recently and in January we held a dealer conference. It was a pretty 'grand' and confident affair – with good reason. Not only was the D-Max still 'King of the castle' but, in line with our 'Pick-up Professionals' mantra, we were able to expand the model range with the addition of the all-important new 'Blade', not to mention a number of key new accessory-fit hardtops and other equipment attractive to buyers. Our UK brand positioning is critical to our success and these new models and initiatives gave both Isuzu UK and our dealer network the confidence to drive sales forward. Another record! The last time we sold over 5.000 Isuzu vehicles was 1992. In 2014, we have beaten that number and by some margin. Although we believe we have the best product in the market in the Isuzu D-Max, we should not under-estimate the value of Isuzu UK's management team in this performance - yet again, a great result.

We know that next year there will be some stiff competition from other manufacturers who are due to launch brand-new products. But they will have to be pretty spectacular to displace the D-Max from its lofty perch. Even if they were to get close to doing that, we have the bit between our teeth and know exactly how to deliver the kind of product and service that our hardworking customers need. We are not complacent, but we are still confident.

In this review there is an article about David Taylor Garages in Crickhowell, Wales, one of our leading Isuzu dealers. This is exactly the sort of business that we believe underpins the strength of our Isuzu result. Gene Taylor and his family are a great example of the 'local hero' dealer, and I especially loved hearing the story of Gene taking a number of sheep in part exchange for a D-Max! I heard about it via text from Paul Tunnicliffe while we were both overseas and I must admit, even knowing a fair bit about David Taylor Garages, I had to read it twice.

IM Nordic were out of the blocks quickly in 2014, notching up an impressive amount of sales

in the early part of the year, certainly enough to look like they too would break their sales records. However, around mid-year, Fuji Heavy Industries informed us that they needed to limit production of the Outback for Europe - something that affected our Nordic business proportionately more than any other European distributor because we sell 40% of all European volume in our northern territories. This was a clear blow since every one of those lost orders was a lost sale and served to restrict the strong sales momentum that was building through 2014. We live in an imperfect world and certainly an imperfect 'business' world. So we were able to understand Fuji's reasons for this action. Their decision had much to do with fuelling demand in the US market, something critical for the long-term success of the brand globally. Nevertheless, it had a profound impact on our year. Despite this though, the replacement Outback - due in 2015 - will enter a market that has been somewhat starved of an important product and it is hoped we will make more sales than we have lost.

Across the group we are anticipating the new Subaru Outback eagerly – it will be a key part of our 2015 sales effort in all markets we hold for Subaru. Late in the year our Nordic dealers visited the Subaru factory in Indiana to get a preview of the new Outback. They were able to order their demonstrator cars on the trip and had a first-hand look at – and drive of – the new car, which has a number of important new features. Not only is it larger and much more luxurious than its predecessor, it also incorporates an important piece of technology called

. In what is an important first for Subaru within Europe, the EyeSight system works using two forward-facing cameras – or 'eyes' – mounted at the top of the windscreen. The cameras are used to detect not only that an object exists ahead (as competitor systems can) but also what kind of object it is. Voted the best system by the independent Insurance Institute for Highway Safety of America, Subaru's EyeSight acts far more intuitively than more expensive systems – a real point of difference.

As we launch the car in our Nordic, UK and Ireland markets, a great deal of attention must be paid to training the dealer network on how

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to deliver an effective test-drive of the system. With these preparations already underway, the excitement and anticipation is building.

Subaru UK has had a difficult few years. Last year we grew sales for the first time in a while, following a period of difficult exchange rates, a changed product range and an evolving dealer network. This year we have built on that, resulting in a feeling of strong optimism for the future. It is clear that Subaru UK remains an opportunity not only for IM Group but also for Fuji Heavy Industries, who are still looking to grow volume across Europe. A renewed focus on the 'outdoor life' strategy – favoured not only by us, but by Subaru Europe too – is paying dividends in the United Kingdom. The sales growth will be slower than we saw on the back of the Impreza Turbo in the early 1990s, but it will be more sustainable as it is based on the whole brand rather than a single product within it. Ultimately this will be good news for us and for our dealer network. There is still much work to do and, because of the number of models compared with our other UK franchises, it is difficult to establish as crisp and clear a strategy as we have with, say, Isuzu. But we know we are in a good place and we believe that by applying our usual level of IM dedication and commitment we are going to see Subaru UK again become an important force in both our own business and in the market as a whole.

During 2014 we took the decision to introduce a much more integrated and developed approach to our dealers' websites. Following some research it became clear that this element of our 'customer journey' is going to become even more important in the future. We have talked repeatedly in these reviews about the importance of CRM to both our business and as a further extension of our intention to offer our customers the best service in the industry. Therefore we are still working hard to make sure we have the culture and infrastructure – before and after sales – to support this crucial aim.

Our business, like many others, is about people – staff, suppliers, manufacturers, dealers and customers. We are serious about what we do and the way we do it. We have a method, and a plan; and we try and deliver it to the best of our ability. So I hope that far into the future, either I or whoever has this responsibility will be talking about how we have worked fastidiously on improving the way we execute our plans. We must keep going, we must keep improving.

A business that perhaps best emphasises our desire to keep moving forward is IM Finance, our joint venture in the UK with Black Horse. We share the profits in this business and you may therefore think that the attention and 'desire' we put into growing this business is halved too. Not a bit of it! Over the past few years, thanks to the work of the IMF team and the support from our franchise staff, we have been growing the business steadily. However, this year we look like achieving an outstanding result... For a while our aim has been to grow that business to an annual turnover of £50 million and, over the past few years, we have been quickly heading towards that target. This year there is a chance we will hit it. That would be an almost Herculean performance and, in reality, we will probably be agonisingly a

"However, this year we look like achieving an outstanding result..." fraction wide. What's important though is that by growing this business at such a strong rate, it means that together with Black Horse and our dealer network we are offering financial products that genuinely add value to the sales process for our customers.

The finance industry has had a hard time recently. Bankers have replaced estate agents and lawyers as the stereotypical 'persona non grata'. The industry has become so heavily regulated that a whole secondary industry has been created by the financial authorities' desire to see customers recompensed for any hint of wrongdoing by financial institutions and banks. To be growing in this context, as we have done, can only be because we are doing things properly and excellently. We have a great working relationship with our equity partner and are as committed to growing that business as we are to growing those we fully own. It is a matter of principle: if we are involved, we are fully involved. I don't want us to be the sort of company that is known for doing anything by half measure.

Our own finance company, The Funding Corporation, has had something of a turbulent year, certainly in comparison with the rest of the group. In the summer we took the decision to close the ACF car-sales arm of the business. Our previous strategy had been to sell used cars through the ACF sites and provide finance for those vehicles from TFC.

In the early part of 2014, we began to think about how we should compete in the future, given that with an improving economic environment in the UK a number of new entrants had been attracted into the industry. This new situation forced us to evaluate where we think our future place in the market will be. Our conclusion is that there is room for a market competitor in the sub-prime and near-prime sector that trades on attributes such as experience, reliability, straightforwardness and added value. And we intend to pursue this by creating a network of dealer partners for whom we will become a reliable and trusted source of funding for their customers.

We have always seen our involvement in this sector as a 'credit repair' activity. We acknowledge that while higher interest rates are normal for this type of business - due to higher bad-debt levels customers who prove themselves reliable will be able to repair their credit ratings. In this context our ability to gain new customers as old ones leave will always be important. And the credit-scoring that we do must ensure that we are able to choose customers who do, indeed, intend to repair their credit. It is too early to tell whether we will be successful with our new strategy. But we are putting the necessary commitment behind our activities and have recruited someone to head up this new sales activity. Over the coming years we will make the necessary investments to build up our team and to grow the business.

Our company donates a good proportion of its profits to a charity, Christian Vision, founded by our own founder, Lord Edmiston. Christian Vision has a humanitarian and Christian brief. It believes it is important to share good news with people who have either found themselves lacking hope – perhaps through various forms of abuse, relationship breakdown, depression or various other reasons – or who have simply reached a point where they are questioning the value and purpose of their own life. Various forms of media are used by Christian Vision to communicate a message of hope to people across the globe.

In the past few years Christian Vision has developed a platform called yesHEis. Through yesHEis, various real-life stories of people who have found themselves in often-terrible situations – and have found an answer – are told in film and print. I understand that not everyone feels the same way about this subject, but it is very clear that over the years and around the world many, many people's lives have been changed for the better through the work of Christian Vision. As a family we believe in using the resources at our disposal to try to help others find help at the point of their greatest need.

In October this year Christian Vision held their biannual global conference. This year it was in Miami, the location of one of their 'content-producing' bases that serves Latin America. I attended the conference for the first time and quickly worked out that the standard of professionalism and skill matched the same level as we seek within our 'non-charity' companies. It was particularly good to see that the same intensity and dedication was being applied to the work of helping people in great need (who don't pay for the privilege) as we would apply to serving those who do pay – our customers.

Staying on a charitable theme, this year, for the first time, we decided to put a team of staff together to travel abroad to a location where they could begin a longer-term project of building new facilities for local education. The plan was to offer

" I don't want us to be the sort of company that is known for doing anything by half measure."

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the opportunity for interested staff members to form a team, raise the necessary funds and travel to a community in need of school classrooms. The company would match the team's fundraising and give them a week to be able to complete their task successfully. This would require significant commitment and undoubtedly mean giving

up plenty

of their

own

time and effort to make suitable preparations. However, a number of people came forward and soon a pretty formidable team was in place.

It is our intention that for a few years we will run a similar project, revisiting the same school, so that we can make a tangible impact. And as we help to improve the lives of those communities where facilities are built, so their ongoing story will improve our lives too.

The location selected was Sierra Leone! However, following the unforeseen Ebola outbreak in the late spring/early summer, this had to be changed. Therefore, early in 2015, a group of our staff will visit Cambodia to try to start the work of helping with educational facilities in a small community there. When they go, they go with the full support of the whole company. And I know they will return as 'changed' people. Life is about more than business, and I hope that our company is about more than business too.

> This year David Wall, our Business Development director, retired on his 70th birthday. For a few years now he has been grooming Martin Dalton as his successor and, from April, Martin's appointment was confirmed. David is an imposing character, and one that ran the department with a very clear and defined approach. This served us well. Because we are in the car business - and our particular expertise as an importer/distributor

is something that, in the main, is required by niche brands and new-entrant brands – David's task has been to develop strong relations with those companies. Generally they are companies likely to require the services of a private distributor at some point in the first half of the current century. This is clearly a rather longterm brief. But then a large, family company has often been better at long-range thinking than a public one!

The car industry is in a period of huge change – emissions legislation, new powertrains, new fuels, changes in technology affecting both the product and its distribution channel. The list could go on. David's efforts have left our company with an excellent reputation in many important boardrooms. Typically these are located in China, India and other parts of Asia. Indeed our own Beijing office has sprung from our high level of activity in China for more than 20 years. Martin's role will be to carry on that work and to try to reach higher heights than we have managed so far. We are well positioned and we plan to become even more efficient at delivering new business into the group's grasp.

We believe we do things well. And whether it be property, cars, finance or something else entirely, we want to grow and expand not only what we are already involved in, but other new ideas and projects. We will always be cautious where our balance sheet is concerned. But that doesn't mean the hunger for moving forward is restricted. Just as the team heading out to Cambodia will help to make 'learning' possible for others, so that is something we still hold very dear in the life of this company. We are doing well – very well. But there is so much more that we can aspire to...

I hope that will always be the case.

Building FOR THE FULTURE

This has been another important year for IM Properties as we laid the ground work for future growth through a series of key strategic acquisitions and disposals that ensure our portfolio of assets is in robust shape. And our efforts in 2014 follow last year's financial results that showed strong returns, with pre-tax profits of £16.6 million. While this figure reflected a slight reduction on the previous year, it was a direct result of our strategy to rebalance the portfolio, sacrificing higher-yielding secondary assets and replacing them with lower-yielding longer-income deals to offset against a greater exposure to the development sector.

To that end we increased our net assets in 2013 from £296 million to £323 million, boosting rental income by 11.1% to £37.7 million. Our finance team also secured additional refinancing, which has resulted in 96% of debt secured to 2016 and beyond. This ensures we are in a strong growth position.

Meanwhile, 2014 has been a particularly good year for our development business. Our strategy

of developing industrial units speculatively – in anticipation of market demand – continued to demonstrate significant returns. This was particularly evident at the hugely-successful Birch Coppice Business Park near Tamworth, where we have completed a trio of deals on speculativelydeveloped units, all prior to practical completion.

The 169,000-sq-ft Unit 2 was pre-let to electrical components supplier, DAU DraexImaier Automotive UK Limited, in January. This was followed by letting of 166,600 sq ft to international distribution and outsourcing specialist, Bunzl, in a deal that created some 50 new jobs in the local area. Both units are being sold to an Institution, securing a £20-million profit.

The third deal saw logistics and delivery specialist, UPS, take 152,000 sq ft on a 15-year lease at a record rent of £6.15 per sq ft following strong interest from a number of parties. This unit will most likely be retained and will form one of our core assets.

At Solihull Business Park we marked the groundbreaking of a new 50,000-sq-ft John

Lewis customer delivery hub in March, the first in a national roll-out of delivery hubs to support JLP's logistics network. The unit achieved practical completion in October and was due to be operational in time for Christmas.

Soon after breaking ground for JLP's hub we began speculative development on two further units totalling 53,599-sq-ft. One has already sold with the other under offer.

Away from the Midlands, our Longwell Green trade-counter scheme in Bristol is close to full occupancy, with Heads of Terms issued on the last two units – Unit 3 to City Electrical Factors and Unit 4 to ARCO. These have followed a pair of deals completed at the start of the year to Betta Living and Formula One Autocentres.

The One London Square office development in Guildford is also nearing capacity with Highstreet-bank HSBC signing up to take 5,348 sq ft. We anticipate that this investment will have been sold prior to the end of 2014.

Our programme of strategic acquisitions of high-grade institutional properties has continued

with the purchase of Fore Business Park in Solihull from BAM for £21 million. The site, which features two existing commercial buildings totalling 66,000 sq ft, also has six acres of development land with planning permission for a further 100,000 sq ft of offices. Within months we made the announcement that we had exchanged contracts to acquire Blythe Valley Park, Solihull for £120 million in an off-market acquisition from Receivers for the French bank, Natixis. This provides us with a prime income-generating development site with an established line-up of existing tenants.

Our investment team is continuing to work closely with Solihull Metropolitan Borough Council on the master plan for the Mell Square shopping centre, which we acquired a year ago. By working with the council we are ensuring that

Our strategy of developing industrial units speculatively – in anticipation of market demand – continued to demonstrate significant returns. Mell Square becomes a desirable shopping and leisure destination that complements the existing retail and leisure offerings in the town centre.

Our bespoke house-building arm, Spitfire Properties, has continued its upward trajectory that has developed over the past four years since its launch. Spitfire has considerably extended the number of development sites within its portfolio with new ventures in Bath, Knowle and Cheltenham. Spitfire now has in excess of 25 active development sites that secure the pipeline beyond 2016.

Overseas, we concluded the sale of the 1-millionsq-ft BMW Logistics Centre in Niederaichbach, near Munich to a private Middle Eastern consortium for €44 million. This was quickly followed by disposal of four logistics assets in Germany, with a total of 383,001 sq ft, to real estate manager, Valad Europe, for €26.1 million.

This has been a key year for IM Properties. Our acquisitions – including the prestigious 55 Colmore Row office building in Birmingham city centre – put us in a prime position going forward. Our work this year ensures that we are fit and ready to commit to further growing and developing the business in the coming years.







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COLMORE ROW



When a 'cheeky offer' a couple of years ago failed to acquire perhaps the most prestigious historic office building – and address – in the Second City, Tim Wooldridge and his IM Properties teams were naturally disappointed; but by no means down-hearted. Nor were they dissuaded. And, in June 2014, IM Properties purchased 55 Colmore Row, Birmingham, a magnificent Georgian building – originally an ornate bank – whose façade and banking hall are listed and admired by visitors, passers-by, tourists and those attending the nearby Birmingham Cathedral. With the ambitious refurbishment plans that Tim and his team have for this prime site, it promises to become the jewel in IM Properties' crown – and right in the centre of the company's heartland.

"When we made the original approach to the pension fund – which had originally acquired the building for almost £36 million – there was no way they could bring themselves to accept our cheeky offer. However, the market recovered and we have now acquired it for £33.5 million," says Tim. "The building had a tenant in place, which happened to be Wragge Lawrence Graham, who do a lot of legal work for us. Having agreed the price we went to see the tenant to discuss an early surrender. They had signed to move to a brandnew development at Snow Hill in Birmingham."

Because of IM Properties' high-level links with

the tenant it was able to do what Tim calls 'a very pragmatic deal for both parties' that meant IM effectively paid £26.5 million for 55 Colmore Row. "We were in a luxurious position, given the structure of our company," explains Tim. "We didn't have to buy it to redevelop it. We didn't have to buy it as an investment. We bought it because it was a great opportunity to acquire the best-located building in the Second City, and we thought that if we couldn't do a deal with the tenant we could sit on the income for three years while the lease ran down. But I think it was important for us to secure vacant possession [so that we could] get on site to refurbish it.

"We plan to complete the building in the

autumn of 2016 and it will be the only building, which is prime, coming to the market in that year. As things stand, nothing else comparable in Birmingham will be coming to the market at that time. In the meantime, the [available] Grade-A space that could compete is diminishing all the time. So I think we're hitting quite a pinch-point in terms of office market supply in Birmingham."

Both the façade of the building on Colmore Row, and the return on Church Street, together with the banking hall inside are listed. "If you look at 55 Colmore Row from the Cathedral you can see that it's actually five buildings dating back to Georgian times, which were amalgamated," says Tim. "Twenty-five years ago, everything behind the listed frontages was demolished and a modern office building constructed. But 25 years have moved on, and with the specifications and technology that is available these days we can provide a much better office environment than was available a quarter of a century ago.

"However, we're not going to be demolishing everything behind the listed facades. We're going to be doing a comprehensive refurbishment. We'll strip everything back to the shell, leaving the banking hall in situ, before undertaking a complete Grade-A refurbishment. It will contrast with the listed exterior yet, at the same time, complement it. You will have this wonderful, listed, character-building that you will enter to be hit by fantastic lighting, colours and glazing. Lots of natural light, together with stone finishes on the floor, will complement the listed banking hall, which is very ornate. What we plan to do is a very exciting challenge. We've not done anything like this before, but we do have a great team around us."

IM plans to add two beautifully-glazed attic floors to the building, which will increase the letable area to 160,000 sq ft from its current 140,000 sq ft. Five glazed passenger lifts in fullyglazed atria will bring in a flood of natural light. At basement level there will be 75 car-parking spaces – a ratio, says Tim, that is as good as any new-build office offers. "Lighting, ambiance and security in the car park levels will be at the highest level and we'll even have showers and changing rooms in the car park levels for those people who want to cycle into work.

"Because of the return on the façade, which slopes away, the building has a lower groundfloor level and two basement levels. On the lower ground-floor level – which is the ground-floor level in Barwick Street running behind the site – we'll be looking to have access to two or three restaurants. The immediate surrounding area already has a bar and restaurant scene, where office workers congregate to have something to eat and drink. So the new offerings will add to that and give a bit more life to the location beyond offices."

The ambitious plans mean that IM will be spending £27.5 million on the refurbishment, which will be undertaken in two stages. "We hope to start the first stage – the enabling work – early in the New Year with completion later in the year ready for the full refurbishment to start," explains Tim. "Completion is scheduled for the fourth quarter of 2016. We are confident that people working in the refurbished building will think they're in brand-new office accommodation and it will, of course, still have its superb kerb-appeal."

So who does Tim see as likely tenants for the magnificent 55 Colmore Row after refurbishment? "I think we could get lawyers again, although we are already talking to one of the big four accountants. The building will also be suitable for financial, corporate and, of course, banking users. Then you have HS2... They have acquired 100,000 sq ft at Snow Hill, and they have a definite requirement for another 150,000 sq ft, which will also be at Snow Hill. Birmingham City Council, which has attracted the HS2 College to the city, has calculated that there will also be a requirement for between 500,000 sq ft and 750,000 sq ft of office space for all the firms who are going to supply services to HS2.

"We're very confident in our belief that we will have a significant proportion of it pre-let before the works are completed."





THE Funding CORPORATION



DAVID CHALLINOR MANAGING DIRECTOR. THE FUNDING CORPORATION

David Challinor describes how The Funding Corporation has returned to its roots.

November 2014 saw the launch of an innovative and forward-looking new hire-purchase product from The Funding Corporation (TFC). Called Inisium, it is targeted at credit-challenged car buyers and is intended to re-establish TFC's presence in the growing non-prime dealer finance market.

Inisium is derived from the Latin word 'initium' meaning 'to start' or 'begin' and marks TFC's return to its roots as a niche lender assisting motor brokers, dealer groups and independent dealers to sell more cars. It is, in many respects, also a new beginning for TFC after lending exclusively for the past six years to car-buying customers of its own dealer group, ACF Car Finance.

I mentioned in last year's Annual Review that we had successfully tested a non-prime dealer finance product within a car dealership based in the north-west. This was subsequently extended to a small number of other dealers in the same region at the start of 2014. This was the genesis of Inisium which, we believe, together with a completely new service delivery proposition, will allow TFC to engage with a potentially much larger, more accessible and, ultimately, more profitable market.

Competitor analysis has helped TFC to structure Inisium with unique features designed to maximise sales conversions. Inisium represents a major shift in the nature of non-prime motor finance by embracing higher-value cars. It means that many Inisium-approved applicants will now have the option of buying a higher-specification used car, or of choosing a new model instead.

Inisium has made this possible by allowing loans of up to £10,000 for customers who are in 'the recovery phase' of previous difficulties. Such buyers now represent a substantial proportion of the many drivers who are turned down for loans or car finance plans, most of whom are the casualties of lenders whose decisions are based largely on an individual's credit standing.

In many cases, these customers are being declined on the basis of a snapshot of their circumstances five or more years ago. Sometimes these circumstances involving relatively minor defaults. By contrast, Inisium harnesses data that allows an accurate and up-to-date picture to be built of a person's earnings, commitments, and their future financial stability. If this meshes with TFC's affordability criteria, a loan of up to £10,000 can be provided over a maximum of five years with no deposit required. The dealer will receive a lending decision within 30 minutes of submitting a customer's application, and both the loan and the commission payment will be made the same day.

TFC believes that Inisium could help all car retailers and motor brokers to welcome a large and valuable sector of customers whose choices have previously been limited. It also hands them a powerful new weapon to use in their efforts to increase sales during a time when many people say they have yet to feel the effects of Britain's economic recovery.

A marketing launch campaign consisting of advertisements, editorials and advertorials in the trade press began in October and is scheduled to run monthly until the end of the year. It has been focused on the largest-selling titles within the motor trade media. TFC anticipates that the vast majority of all prospective trade customers will have had exposure to the new product over the intensive three-month period of the campaign.

A brand new website (www.tfcmotor.com)

THE FUNDING CORPORATION



and an on-line point-of-sale system have been developed in-house to support this new initiative. In the run-up to launch, members of TFC's business development team worked closely with the many motor brokers, dealer groups and smaller independent dealers who had already expressed an interest in adding TFC to their panel of lenders. This partnership recruitment activity continues, and we have recruited Jason Francis as our new Head of Sales to further develop the sales strategy as Inisium is rolled out even more widely on a nationwide basis throughout 2015.

In a complete contrast to this exciting news, I am deeply saddened to report the closure of ACF Car Finance. After a poor start to 2014, and continued worsening trading conditions throughout the first six months of the year, the decision was made to close ACF Car Finance at the end of July. A combination of increased competition from other used car dealers driving down retail prices, together with an influx of new and highly aggressive non-prime lenders, resulted in a significant reduction in the volume of leads received by ACF Car Finance. This inevitably had an adverse impact on the total number of cars sold, leaving TFC with no alternative but to exit completely from car retailing.

TFC's continued commitment to treating customers fairly, and to the principles of responsible lending, was again highlighted this year when the company beat off competition from other lending institutions across the UK to reach the final stages of the prestigious Credit Today Awards. These awards are recognised as the Oscars of the finance industry and judges nominated the company for both the Alternative Lender of the Year category and also for the Responsible Lender of the Year category, which TFC won outright in 2011.

Finally, and following a sometimes-challenging year in which all TFC management, team leaders and staff played their part with dedication and professionalism, it is pleasing to report that TFC has again received national recognition for its efforts to create one of Britain's most dynamic and engaging workplaces. We were placed in the 'Ones-to-Watch' category in the Best Companies to Work For survey, the results of which are published annually in The Sunday Times. TFC's continued commitment to treating customers fairly, and to the principles of responsible lending, was again highlighted this year...

M Automotive

Neville Matthews talks with Keith Read on how IM Automotive is now benefiting from the slow recovery of the Irish economy.

While economic events have been a headache for businesses around the world in recent times, it has been a particular focus for IM Automotive, the group's company operating in Ireland where the economy has been a textbook case of boom and bust. says Managing Director, Neville Matthews. "After the muchlauded Celtic Tiger crashed and burned in 2008 we have faced six years of severe recession and very-real austerity. It has been particularly tough and survival has required careful management and some brave decisions as well as unwavering determination...

"A year ago, when we last spoke about IM Automotive, I was contemplating what I hoped would prove to be the first green shoots of recovery. And while my optimism was by no means without foundation. economic growth has not been anything like Jack and the Beanstalk. However, one year later. I am pleased to say that economic progress, though fragile and occasionally halting, has been sustained. And, despite some remaining issues, we are seeing the benefits.

"Access to finance is still

an issue for credit-impaired consumers, particularly those hardest hit when Ireland's property bubble burst. But economic activity is unmistakably flickering into life. Consumer confidence – that elusive, but key ingredient in our business – is most definitely beginning to re-emerge. The new-car market for the first nine months of 2014 is up 25% on the corresponding period last year."

This is automotive market good news that Neville is clearly delighted to report. But not nearly as good as Subaru's specific sales news. "Thanks to new models and more competitive pricing we have achieved growth of 60% this year!" he reveals. "This, coupled with extensive costcutting and re-structuring, has meant a much-improved outcome for the business."

Part of the re-structuring involved a closer alignment with IM Automotive's colleagues at IM Group in the UK and embraced renewed responsibility for activities in Northern Ireland. "Reorganisation included a full time 'man on the ground' in the Province," explains Neville. "This has proved to be a significant factor in producing good growth across our three franchises. And we have been particularly successful with Isuzu during 2014. The brand, recently voted 'Pick-up of the Year', is fast becoming the truck of choice in the agri-sector."

For Subaru, he says the transition towards improved competitiveness and growth in the Republic of Ireland has been mirrored north of the border too. "In both regions we are finding new dealer opportunities, and we have been able to appoint some really good new retail partners.

"Closer north/south collaboration has also provided new synergies, with opportunities for cost-saving and enhanced outcomes. The Balmoral Show held at Lisburn. 10 miles south-west of Belfast, and the National Ploughing Championships at Ratheniska, 50 miles south-west of Dublin, are classic examples. Through the benefits of closer north/ south collaboration at these two important events we reached potential customers across Ireland's 32 counties – six in the north and 26 in the south. Ouite simply, we got a much better

IM AUTOMOTIVE







Another close-collaboration event took place right on the border near Enniskillen. "We combined the launch of a new dealership with the introduction of Subaru's new STI. The event included test-drives of our full vehicle line-up from a stunning lake-side location on Lough Erne. Members of the motoring Press from north and south were enthusiastic participants and we enjoyed excellent and extensive press coverage across the entire island. One of our technical colleagues from Subaru Europe, Hiroyuki Fujioka, who had been visiting dealers in the south, was another enthusiastic attendee."

With the Subaru range more focused than ever on 'cross-over.' IM Automotive's sales teams have sought new opportunities that emphasise the marque's lifestyle credentials. "Cycling has shown a huge upsurge in popularity in Ireland in recent times," says Neville. "The Giro d'Italia this year ran Irish stages north and south of the border. This was followed in June by the Ras Tailteann, Ireland's biggest nationwide cycle race, when Subaru Albion – a professional academy team sponsored by Subaru Australia - took part. We were delighted at the

opportunity to support them and to arrange dealer-based publicity."

Fuelled by the emergence from recession, Neville says that everyone at IM Automotive is now in full planning mode for 2015. "With Isuzu better-established in Northern Ireland, and a refreshed dealer network, we are planning to drive further growth for the brand. The D-Max gives us the perfect vehicle with which to attract a broader range of pick-up customers. And with Great Wall we are looking forward to the arrival of the revamped New Steed after an encouraging taste of what's to come.

"Our Great Wall dealers from the north and south attended the recent UK launch event in Peterborough.

> There was ample opportunity for test drives, including an off-road course. Without



exception all were delighted with the new truck, which performed very well. I was extremely pleased to hear the dealers' consensus: 'Exceeded expectations!'

"Meanwhile we are planning for further Subaru growth and consolidation across all 32 counties. The focus on network development will continue and we are looking forward to the enhanced sales opportunities from the addition of Forester Diesel Lineartronic and, importantly, New Outback, which will be equipped with Subaru's innovative EyeSight safety system.

"We believe New Outback will carry the salesman's favourite phrase: 'It's the best there is...'

"How do we feel about 2015? Bring it on – we're looking forward to it!" Subaru select Sweden for WRX STI European press launch

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SWEDISH



By Thomas Possling, PAN Nordic PR Manager

Stockholm became the arena and Subaru's all-new WRX STI took centre stage when Subaru Nordic was asked to host the international Press launch for this exciting new model. For Subaru Nordic it was an honour to receive this request and proof, if proof were ever needed, of the high esteem in which Fuji Heavy Industries holds its Nordic importer. With Subaru Nordic accounting for 50% of sales of the Outback in Europe, the honour clearly reflects how FHI feels about the efforts and achievements made by the company and its staff.

"We were very happy and extremely proud when we were asked to help undertake the all-important launch of the new WRX STI to Europe's top automotive journalists," says Torbjörn Lillrud, CEO of Subaru Nordic. "We were first approached by Subaru Europe during the autumn of 2013. Naturally we said yes! It really was a great honour to be asked. Having given our commitment, there followed six months of careful and highly-detailed preparation for the intensive weeks in April 2014 when all eyes would be on the WRX STI – and on us!"

Motoring journalists are often critical of test routes that fail to expose the dynamic qualities and true character of new models. So the event had to embrace everything from thrilling driving on different roads – from smooth test tracks to highways and winding country routes – as well as an opportunity to experience the beautiful scenery of Roslagen. This is the dramatic and picturesque region of Sweden that encompasses the coastal areas of Uppland province and the northern part of the Stockholm archipelago.

There were many factors to take into consideration during the planning. Spring can be a treacherous time of year in Sweden and although Subarus are excellent winter cars we had to prepare for any eventuality, especially as the cars would be running on handling tracks and on roads. Not least of our efforts was the







search to find alternative tyres that would provide maximum performance in any weather conditions.

However, come April and the Press launch, Sweden showed its best side to the 300-plus invited journalists who got to enjoy brilliant spring weather. The 10 centimeters of fresh snow that had worryingly fallen the weekend before the groups of journalists were due to start arriving, quickly melted away. And we all started breathing again!

As anyone who has been involved in an international Press launch will confirm, such events have to be a master-class in logistics to be successful. And the WRX STI launch was no exception! Working with ProAction - the events company engaged by Subaru Europe - was a real pleasure. I was involved with assisting ProAction in many things leading up to the launch and, during the whole of the event, our CEO - Torbjörn Lillrud – and our three area managers – Satu Salomaa (Finland), Ringo Rahumeel (Baltic states) and Niels Thaning (Denmark) - were on hand to ensure everything went smoothly and efficiently for our journalist guests. Takeshi Kabota, director of business planning and marketing for Subaru Europe and David Dello Stritto, PR & marketing for Subaru Europe, were also with us for the event.

The first group of journalists arrived at lunchtime on day one. And, after refreshments

and an information-packed Press conference, the motoring writers set off on their 222-km test drive. The route – designed to show off all the many attributes of the all-new WRX STI – finished at the hotel where participants were given more information, dinner and a comfortable bed.

Part of the test route included Trosta Park, a privately-owned driver training and vehicle testing facility where the journalists were able to explore the superb handling capabilities of the WRX STI in complete safety.

On the morning of the second day for each group of 25 motoring writers, a new test route gave the journalists the opportunity to further explore all the qualities and merits of the new model. In addition to testing the new WRX STI, journalists had the opportunity to drive the complete Subaru Crossover line-up – XV, Forester and Outback – along a narrow 2-km tough-terrain course with water-filled mud holes and steep hills. En route, refreshments of coffee and buns were provided at a classic Nordic tepee complete with a wood fire to warm the cool spring air!

The forest drive proved to be an extremely popular activity and resulted in a lot of extra publicity for Subaru. It was apparent from the many compliments we received that getting the opportunity to drive in 'natural conditions' was really appreciated.

With all their driving impressions duly

Part of the test route included Trosta Park, a privately-owned driver training and vehicle testing facility...



Both organisers and journalists were very pleased with the location, with the structure of the event and with the successful outcome. recorded, their pictures taken and all the information about the new car committed to notebooks and laptops, the first group left at lunchtime on day two for their various home destinations. As they departed, the second group arrived. And so the routine continued, day-afterday, for almost three weeks!

The compressed schedule did not give us more than a few hours between each group to clean and refuel the test cars so that each group arrived to see shining showroom-fresh vehicles in tip-top condition. And with more than 30 vehicles in the test fleet, it meant that everyone had to be on their toes all the time! However, thanks to Subaru's high quality and reliability, the need for repairs or replacements was never a concern.

Even after the last group of journalists left

for their homes, our work wasn't over. While knock-down takes far less time than set-up, it still has to be done - and done efficiently. But the pressure was off and as we set about the final tasks we had time to reflect on was, without doubt, a very valuable exercise for all concerned. Both organisers and journalists were very pleased with the location, with the structure of the event and with the successful outcome. For all of us at Subaru Nordic involved in the event, the many positive reviews of the new WRX STI - and the Subaru Crossovers - published in a wide range of different media were the perfect reward for all the months of hard work planning, organising and implementing a world-class event that will be remembered for many years to come.

differently ENNISH

To succeed in Finland is to succeed in one of the toughest automotive markets. Taxes, more taxes, temperatures and terrain all conspire to sort out the winners from the losers. Satu Salomaa, Subaru Nordic's sales director in Finland, lifts the lid on how to get it right.

Finland is a young car market with no significant indigenous automotive industry. After World War II we suffered from a huge lack of cars because we suffered from a lack of foreign currency. In the postwar years, right up to 1962, car imports were strictly restricted and – due to bilateral trade relations between Finland and Eastern Europe countries and foreign exchange regulations – strongly biased toward products from Soviet Bloc nations. As a result, cars produced in Eastern Europe had a remarkably strong market share.

After relaxation of car import restrictions, the State invented a new way to limit the car trade – a new-car tax! And ever since that time, high car taxation in Finland has meant really expensive cars.

Another frustrating feature of the car trade in

Finland has been the government's many rapid changes in legislation. For example, almost overnight in 2008 the new-car tax system was changed from being price-based to being based on CO_2 emissions. Unsurprisingly, after the change the share of diesel cars in the market increased significantly. However, after a while the government imposed more tax on diesel fuel and customers' interest turned back to petrolengined cars!

The situation regarding taxes on cars and motoring is that we've now come to expect bigger or minor changes almost every other year...

Buyers of mid-sized cars pay taxes that, on average, amount to 40% of the sticker price. On top of that, after buying the car motorists have to pay the annual tax based on CO_2 emissions. At the same time we need to remember that Finland is a country of long distances and challenging climate, where safe passenger cars are really needed... However, due to all these high costs we are actually driving by far the oldest cars in Europe. The average age is a staggering 11.2 years!

So what do these near-continuous changes – and the need to adapt to meet their impact – mean for car dealers and for IM Nordic as a distributor?

For a start, making accurate forecasts – so essential in any business – is far from easy. And to embrace and accommodate rapid changes requires a good economy and strong cash-flow for distributors and for dealers. Over the years the difficulties promoted by all the changes has inevitably had a considerable effect on development of the nation's dealer network. The end result is that the Finnish car business is today mainly in the hands of big players.

The biggest dealer chain is the Laakkonen Group, which has 31 outlets and sells 20 different brands. There are also 10 other 'big players' where anything up to 20 different car brands can be sold under the same roof. The number of small independent dealerships has, year after year, steadily diminished...

High new-car prices, due to the taxes, also mean that sales remain at a level of just 100,000 to 120,000 a year in a nation of 5.5-million people. This low level of sales is another of the reasons why dealerships are concentrated in the hands of just a few owners.

Our Subaru dealer network consists of all types of dealers. We have three big chains: Laakkonen (eight of its outlets selling Subaru); Metroauto (two Subaru outlets) and Wetteri (three Subaru). Then we have three middle-sized chains: Vauhti-Vaunu (four Subaru); Levorannan Autoliike (three Subaru) and Autosompa (two). Our eight other Finnish Subaru outlets are all independents.

For us, as a distributor, this combination works

"So far, history is showing that our way of doing business in what is an extremely tough, challenging and demanding market is working well – for everyone!"



well. Of course, the big chains require most from the distributor of a small brand! And we need to struggle for our share of the voice in the multi-brand outlets. However, by keeping our operations as simple and clear as they can possibly be, we have succeeded. By making things as easy as possible we have been able to raise our position and reputation in the mind of the salesmen. This gives us a better opportunity to sell more cars. The same applies to the aftersales side of our business. When systems are easy they allow workshops to deliver a service – something that customers and dealers really appreciate.

In addition to sustaining simplicity in our operations, we have to always keep in mind the need to maintain a profitable business for the dealer. This gives us good reasons for having big multi-franchise dealers selling Subaru. Another of our key business principles is that we are a distributor with a face! Subaru's way of doing business in Finland is to be a distributor that is easy to contact. We really do want to work closely with our dealers. However, this doesn't mean that we say yes to everything. Our task is to make sure that Subaru achieves and maintains a good position in the market and that all dealerships have all the resources they need.

So far, history is showing that our way of doing business in what is an extremely tough, challenging and demanding market is working well – for everyone!



Laakkonen Group helps to DR/VE Sales

When you are the boss of Finland's biggest car retailer, selling virtually all the leading brands through 31 full-service multi-franchise outlets, your choice of personal transport is almost unlimited. Timo Yli-Salomäki, CEO of the Laakkonen Group drives a Subaru... "Apart from the many technical and engineering advantages of Subaru models it is definitely the reliability that sets the marque apart from others," he says. "This is the reason why I like the cars. And many of my relatives feel the same way. I drive an Outback and my brother drives a Forester. In my family we have many Subarus – and we do have 20 different brands in Laakkonen that we can choose from!

"I also feel that Subarus are more personal cars. All-wheel-drive cars are, of course, much safer, and very suited to Finnish driving conditions." And that is why, more than three decades ago, the family-owned Laakkonen Group – which started selling cars almost 55 years ago with the Volkswagen Beetle – took on Subaru.

"The Laakkonen family started their business in the early 1900s. They sold wood all over the world," explains Timo. "They owned their own forests in eastern Finland and also bought wood from other forest owners. This is where they made their capital. Then, in 1960, the family decided to invest in a car dealership. We've had Subaru for around 30 years. It is one of our oldest brands. Eight of our outlets sell Subaru."

He says he feels sure that the Laakkonen family chose to add Subaru to their franchises because of the cars' all-wheel-drive system. "It is exactly what Finnish customers need. Of course, all-wheel-drive cars are more expensive. They always have been. And that's perhaps why they have not been so popular. However, there is definitely a trend towards all-wheel drive at the moment. We can see four-wheel-drive cars becoming far more popular. Automatic transmission is another feature that is becoming very popular here and Subaru does, of course, offer excellent CVT automatic gearboxes!"

Today, Laakkonen is one of Subaru's most important dealers and will sell around 400 Subarus in 2014, says Timo. "However, unlike many countries, where car sales are going well, the total car market in Finland will be a bit lower this year at about 100,000. I estimate that total Subaru sales in Finland in 2014 will be around 1,000. So Laakkonen will sell about 40% of all "IT IS EXACTLY WHAT FINNISH CUSTOMERS NEED... THERE IS DEFINITELY A TREND TOWARDS ALL-WHEEL DRIVE AT THE MOMENT."

WEALTH OF EXPERIENCE

After studying at college, Timo Yli-Salomäki, who is 48 and married with two children, started his career in 1987 as a Volkswagen/ Audi sales trainee. After two years he moved to become a Peugeot and Daihatsu salesman, subsequently being promoted to become a sales manager for Peugeot. During this time he studied for a degree in administration and management in Paris.

There followed five years as a Chrysler, Jeep, Nissan Peugeot and Mazda dealer principal before he became import field manager for Peugeot Finland for four years. In 2002 he rose to the position of Peugeot Finland import director, a role he undertook for seven years when, in 2009, he joined Laakkonen Group as CEO.

During his time as a dealer principal, from 1992 to 1997, Timo studied for an MBA at the University of Wales, Swansea – something of which he is very proud.

In his role at Laakkonen he is responsible for more than 1,400 full-time employees at the company's 31 outlets located in 21 different cities throughout Finland. The group is the biggest automotive retailer in Finland and has an annual turnover of almost €700 million (£561 million).

NORDIC

Subaru sales here. And with our share of the whole Finnish market amounting to almost 15%, you can see that Subaru is very important to us."

He says Subaru customers respect durability and quality. "They love the all-wheel-drive aspect. We find that many Subaru customers also love nature. They have outdoor hobbies and interests, such as hunting, fishing, hiking and camping. And Finland is a country with many lakes and forests and the sort of countryside that promotes these kinds of hobbies.

"Subaru customers are also very discerning and, to be honest, they don't have many [brand] choices... This is good for us. They have usually decided that they want to buy a Subaru. In Finland the Subaru customer is much more of an individual – they tend to move in their own way."

But it's not just sales of new and used Subarus that are important, maintains Timo. "There is

the heritage aspect of the brand, which we see as very important to our business. What is also important is that we are gaining good after-sales profitability with Subaru. Owners of Subarus are very loyal to brand service and that is really important because the after-sales business is more profitable than car sales. We are making money with Subaru. So Subaru is good for us. We are extremely happy with the brand. Of course we would be even happier if the market share were bigger!



MULTI BRAND?

While the concept of multi-brand dealerships is alien throughout much of Europe, Laakkonen's CEO, Timo Yli-Salomäki, explains that a combination of a small total market in Finland, extremely high building costs, high heating charges and high salaries means that it is difficult for single-brand dealerships to be profitable.

"We have much higher costs than you find in, say, England. So we need to put as many brands as we can into dealerships. There's no other choice. Finland does have some dealerships just selling, for example, Volkswagen or some other brands. I believe Subaru has one single-brand dealership. But, generally, we don't have high enough revenues to maintain singlebrand dealerships."

Clearly the multi-brand business model can be very successful. Laakkonen had a record year in 2012, selling 30,500 new and used cars. Last year, when the company acquired six new dealerships, it set another record with combined sales of 32,000 vehicles. This year, Timo expects to sell around 36,000 units – another record year for both newand used-car sales. "However, from a financial perspective, 2014 won't be a record year because the market is very tough at the moment," he says. "And the reason for our growth [in volumes] is because we have been acquisitive. Will Laakkonen expand the number of Subaru outlets? "That will depend on Satu Salomaa, Subaru's Finnish sales director!" he says with a smile. "But yes, it is fair to say that we would definitely increase the number of Subaru outlets we have – if the opportunity arises." VÄLJ DIN EGEN VÄG FÖRBEREDD. 365 DAGAR OM ÅRET.

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A DAY IN THE LIFE OF...



...RINGO RAHUMEEL

SUBARU NORDIC SALES DIRECTOR - BALTIC STATES

Like so many people within the IM Group, Ringo Rahumeel says there's no such thing as a typical working day for him. But that's hardly surprising when you consider that the 39-yearold Estonian is responsible for three nations, all with distinctly different languages, where written communications are conducted in a fourth – English – and conversations are held in a fifth – Russian!

"Estonian is my mother-tongue. It's a little bit similar to Finnish," explains Ringo. I have Estonian, Latvian and Lithuanian languages in my territories and, of course, Russian, which is still widely spoken throughout the Baltic States. Outside Estonia I communicate mostly in the Russian language. But for written communication I always use English, which is what we actually call the 'Baltic language'... Latvian and Lithuanian are totally different to Estonian, so I cannot understand any of it at all. You can imagine how this mish-mash of languages causes a big headache for our marketing department when they are doing brochures and websites!"

Ringo lives in Tallinn, the capital of Estonia and the city where IM Group has its Baltic States office. Home is just 27 kms (17 miles) from the office and the drive to work in his Subaru Forester takes just 27 minutes. Not that the commute is a daily event. "There's lots of travel involved with my job and for at least two weeks in every month I am away from home. It means I need an understanding family," admits Ringo. "One of the big discussions I had with my partner, Janika, when I was looking to join IM Nordic was the amount of travel it would involve. But she was happy with the situation and fully prepared to support me. "My area comprises Estonia, Latvia and Lithuania with the office in the north of the territories in Tallinn. This means the longest distance I have to travel is close to 700kms to Vilnius in the south of Lithuania, near the Polish border. In between those two cities there is Riga, the capital of Latvia, where we have dealers that I visit quite frequently. In fact, Riga is the biggest city in the Baltic area.

"As well as the many cities in my area, I'm also quite frequently visiting our head office in Malmö in Sweden – at least once a month, sometimes more often. Occasionally I visit our office in Finland and, sometimes, the travel is even further afield. A few weeks ago I returned from the US, where we held a conference for our Nordic dealers.

"We have 12 dealers in the Baltic area and they sold 1,550 units in round figures in 2013. The annual sales figures are growing and we are expanding our dealer network. Part of my responsibilities is dealer development, including visiting new prospects. There are so many different aspects to my job and that is very much part of the appeal. I've been here six years and, every day, I still really like and enjoy my job because of the many different aspects. There is always something new to learn."

Ringo joined IM following two years in the real estate industry. Before that he had been marketing manager for Nissan in the Baltic States. "When I joined Subaru we had six dealers. Today we have 12 and are looking to increase that number. But it hasn't been all growth for Ringo. "The economies of the Baltic States are quite young because they are all ex-Soviet Union," he explains. "Independence was only regained in the early 1990s.

"Initially, before the Lehman Brothers crisis, the economies were booming – going straight up. But the drop was quite hard too, especially in Latvia, where it was really quite painful. The car market across the Baltic States – around the world, in fact – collapsed. It was down 80% in the Baltic States in 2008 – just a few months after I joined the company... There's even a joke among my colleagues that when I joined IM, everything collapsed! But I'm glad to say that things are very much better now. The market is not quite back to where it was before the banking crisis. However, when we look at Subaru sales we have improved and increased a lot.

"Six or seven years ago, Subaru was a niche brand in the Baltic area and our market share was just about 1%. But since that time we have gained a lot and Subaru is now among the big players. Our share, depending upon the market, is sometimes 5%. In Estonia, for example, we ended 2013 with a market share of 5.14% which, I believe, was a world record market share for Subaru!

"Of course, the market is not big. Throughout the Baltic area the total new-car market is

something like 40,000 a year and we sell around 1,500 Subarus. But we are quite proud of where we stand currently. And the cars are very suitable for the Baltic area where we consider ourselves a Nordic region. We get snow and minus-zero temperatures during winter. We also have quite a lot of gravel roads. So Subarus offer a very suitable package for our territory and that is why we have good sales here."

When it comes to considering future development of additional brands in the Baltic States, Ringo says that would be a logical step. "The region has a distinct advantage because it doesn't have any domestic car makers. This means we are very open to new brands. That is why the Japanese have done well here."

What aspect of his job does he enjoy most? "That's a very difficult question," he says. "But I think it would be the meetings I have with some of my dealers. Sometimes we get quite emotional. Sometimes we argue, and it can be a little bit stressful. But when you achieve something you feel really good. And, of course, achieving your targets is always enjoyable. I have been very lucky in achieving most of my targets so far... Improving sales always give me pleasure!"

And what are days like when he gets home from work?

"Because I travel a lot, my family always comes first – always. When I'm at home I try to spend as much time as possible with my family. But I also like to keep in touch with my friends from university. When I was younger I wasn't a sporty person, I wasn't into sport at all. But now I try to run and cycle on a regular basis. We live quite close to the forest and I like to ride my bike in the forest and we sometimes ride together as a family. We have a six-year-old son, Ralf, and twin girls – Liis and Sifi – who are three. The girls are too young to ride but we have child-seats on the back of our bikes for them and all five of us can ride together. That is really enjoyable."





HARNESSING

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STEED'S potential



According to Paul Tunnicliffe, IM Group's head of UK franchises, the brand is back in business.

A bold decision by Great Wall Motor to rein-in its original Steed pick-up truck to give it a Euro 5 engine, new dash and a number of unseen quality enhancements, saw dealers short of supplies after more than 1,000 sold in the first two years following launch of the Chinese-made value-for-money model. Now the first shipment of revised Steeds has landed and another consignment on its way.

"It has been a difficult few months for us and for our dealers," he admits. "And we're very sorry it's been a bit stop-start. But the Chinese wanted to ensure that product quality was absolutely spot-on for such a demanding market as the UK. That necessitated shifting production from an old factory to a much newer facility, with modern automated equipment, resulting in a hiatus in supply. Having said that, we must give Great Wall credit for taking so seriously their responsibilities to deliver the very best product quality. In some ways it has been a good weakness that we've experienced. "The revised product coming out of the new factory has been inspected to make sure that it meets our rigorous standards and the first 300 have arrived. From what we can see, they certainly pass muster. This means our task now is to re-focus the dealers and get them all re-aligned behind the brand."

This is being achieved by revamping all the marketing, giving it a new look and feel. Advertisements, corporate identity and the UK website have all been refreshed to mark the fact that Great Wall is back in business. And with something like 3,500 sales leads to pursue, Paul says there is plenty to do. "We're also going to contact all the existing Steed owners – in the region of 1,400 of them – to see if they are interested in buying the new truck with an incentive on it."

He says the new Steed is not just Euro 5. It has a new dashboard, styling changes and better braking.

Among other unseen improvements are several that Great Wall says will provide the quality that European customers demand and expect.

Steed customers have been largely extremely delighted with their truck, says Paul. "It's testimony to the Chinese that they have dealt with some things that the customer wouldn't necessarily see, but which they felt uneasy about. It's not a case of having to deal with issues that have been raised by the customers who, it must be said, have found Steed completely fit for purpose. Generally speaking, we've had incredibly high levels of customer satisfaction with Great Wall. What the Chinese have done is pre-empt any issues that could have arisen.

"Everybody knows that China is the next big thing in the motor industry. But it is moving from a developing economy to a developed economy. That has imposed some strain, causing the nation to feel its way a bit... However, Great

GREAT WALL





Wall regards IM as not just a company that buys cars from them but also as an organisation that is happy to give advice as to how it should operate in a market that is not Africa, the Middle East or South America... A market where demands are so much higher.

"You could say that we've been going through some early growing pains. But we know that in a number of years' time – be that five or 10, or more, we can't say – Great Wall is going to be a major player in this market. And we're extremely well-poised to take advantage of that, having got China's first automotive product of any note into the UK market. Great Wall is an ambitious player and the company has made it known to us that it is very serious about growing in Europe. That puts us in a privileged position.

"It will take time because they are still learning and they haven't got a full portfolio of products as yet. So it's not going to be like some brands from the Far East that have come in with all guns blazing and have suddenly taken over! It's going to take a little while as they get themselves geared up on both product and on processes. But while they are ambitious they are also prepared to go cautiously until everything is in place."

Are additional models on the way?

"At our dealer conference in September we were absolutely honest and said that we'd hoped, by now, to have had more products in the line-up," explains Paul. "But we had to point out that the only commitment we have at the moment is for Steed. Dealers need to understand that, at the moment, it is a pick-up-only franchise. We do, of course, very much hope – and we've every reason to believe – that it will be more than that.

"Great Wall has a number of SUVs, although none as yet can be launched in Europe. But the Chinese know they will have to develop passenger cars – SUVs in particular – for Europe if they are serious about being committed to that market. At the moment they are undergoing a portfolio review and we should know, probably by mid-2015, what the future regarding the model line-up will look like. I don't want to mislead anyone by saying that yes, I've driven some great cars in China – and they're all coming to the UK! I can't say that because they haven't actually confirmed it as yet..."

Clearly Paul is hoping that additional models will become available. And he is convinced that Great Wall sees IM as its best partner for expansion. "We take a long-term view. We take on franchises never heard of before and get them established. This is what we do. It's our stock in trade. We've done it before and we've made a success of the brands. And we feel the same opportunity awaits us with Great Wall. We make the perfect partner for them and we see Great Wall as being a key strategic partner for us in the medium- to long-term. I also believe the feeling is mutual. It's certainly the impression I get whenever I go China." "...we see Great Wall as being a key strategic partner for us in the medium- to long-term. I also believe the feeling is mutual."

GREAT WALL

The New 2015 Steed advertisement showcases the high-end features of the vehicle, the industry-leading six-year warranty and the Steed's fantastic pricing.





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*Model shown is Steed S, manufacturer's CVOTR £14,998.00. Metallic paint extra at £398 +VAT. The Commercial Vehicle on the Road Price (CVOTR) excludes VAT, but includes the cost of delivery, number plates, Government road fund licence for 12 months and DVLA first registration fee. Every Steed comes with a 6 year/125,000 mile (whichever is sooner) Limited Warranty. Subject to availability, while stocks last. For general terms and conditions, visit www.greatwallmotor.co.uk.

GROWING Ambitions

Many of you will understand that the automotive industry is changing, not only from the perspective of the type of vehicle sold in the market place but also from the way that the distributor and dealers interact with the end users. The European Union has

made no secret of the fact that it intends to dramatically reduce pollution and to reduce our dependence upon imported oil. The effect of this on motor vehicles will be to dramatically reduce fuel consumption which, in turn, reduces tailpipe emissions. What now is working in our favour is that in other parts of the world – such as the USA and China – it appears that the authorities have similar long term aims.

IM Group's new

and ambitious course.

director of business development.

Martin Dalton, describes how he

sees future growth of the company.

Before embarking on outlining my vision I

must pay tribute to my predecessor, David Wall.

time with the company, he also brought a wealth

group. This, without doubt, has set the Business

Development Division of IM firmly on its current

Not only has David taught me a lot during his

of international business experience to the

Therefore the major challenge facing car manufacturers is the high cost of developing new and efficient powertrains while providing products at affordable prices. What this will mean for many manufacturers is a rationalisation of product ranges and the gradual introduction of highly-efficient plug-in hybrid cars. And whilst none of us has any doubt that our current partners will continue to provide the Group with high-quality and up-to-date products, the challenge for new entrants to the market is clearly becoming ever greater...

Part of my responsibility as Director of Business Development is not only to cultivate opportunities for IM Group's UK automotive interests but also to work closely with our Swedish colleagues to assist in expanding our already very successful Nordic business. This often means working with different sets of manufacturers for each of our operational regions.

From the perspective of China – and, to the same extent, India – the challenge for all of us in Business Development is to identify new partners. Not just any partner but those who can provide us with a range of vehicles that not only meet legislative requirements, specification preferences, price and, of course, the quality requirements expected in our markets, but also those who have a long-term vision to continue keeping up with demands for reduced emissions and reduced fossil-fuel consumption. With that said we are in advanced discussions with an existing Chinese manufacturer whose R&D centre is based in Europe and who is currently developing 'global' vehicle platforms for the future. We are talking to a brand new manufacturer who, over the next few years, will launch a range of fully-compliant vehicles and we're also in discussions with China's leading manufacturer of electric and hybrid

passenger cars and commercial vehicles.

Many of the developing manufacturers with whom I come into contact – especially those in China – are well aware of the huge benefits of CRM. Almost without exception the subject comes up at every meeting, something which fits well with IM's long-term use of database and CRM technology. I am convinced that if we are to progress with new partners in the coming years, it is vitally important that we can demonstrate how CRM has been changing the way we do business. The Business Development team must ensure that all these new partners fully understand our total commitment to CRM.

IM moved into its current Beijing office building in 1999. The operation started from quite humble beginnings with our original single room just able to accommodate 10 staff members! Over the years we have taken more and more rooms as staff numbers rose. Today we employ 42 people in the Beijing office and, due to the constraints of operating on the 8th floor of a shared building, the time has now come for us to move into new premises. After a search lasting several months we have identified a suitable property in the Yizhuang district of Beijing. Yizhuang is a relatively new

"THE BEIJING OFFICE MOVE WILL ALLOW US TO EXPAND OUR BUSINESS HORIZONS EVEN FURTHER AND WILL PROVIDE THE SPRINGBOARD FROM WHICH WE WILL START TO INCREASE OUR PRESENCE IN CHINA."

area, located in the South Eastern part of the Beijing Municipality. It is quite close to the new Beijing airport and many other foreign companies have their China headquarters in the vicinity.

Our new office complex is on the ground and first floors, with vehicular access into the ground floor. This will allow us to have a perfect training area for a new project that our Beijing colleagues are currently working on. Being a brand-new property there is much preparation work to be done. But, hopefully by January, alterations and decoration work will be well underway. Our target for the Beijing office staff to move into their new accommodation is April 2015.

As for the businesses in China, my main aim will be to grow our VCA (vehicle certification agency) business by opening up previously untapped regions in China. This will require placing further staff in major cities as well as a new development strategy. Our partners in VCA UK are also fully committed to this growth plan and will provide us with all the means to be able to achieve our aspirations.

The Beijing office move will allow us to expand our business horizons even further and will provide the springboard from which we will start to increase our presence in China. One of the ways in which we will be doing this is through the opportunity of becoming the sole distributor of a range of products from a British manufacturer.

We will also continue to expand our reach into the component and accessory supply chain by providing the group with quality products for resale through our existing network. In addition, we will work with more third-party clients to provide not only built products but also subassemblies for incorporation in major assemblies.

All in all the future heralds very exciting times and I feel extremely proud to be leading IM Group's business development team as it takes on the challenges that are ahead. But what makes me even prouder is the fact that I can say, without fear of contradiction, that I have a highly-motivated team in which everyone is eager to develop and deliver. MARTIN DALTON HAS BEEN WITH IM GROUP FOR ALMOST 18 YEARS. YET HE ALMOST QUIT JUST SIX MONTHS AFTER JOINING AS A 31-YEAR-OLD DEVELOPMENT ENGINEER AT THE THEN HEADQUARTERS IN WEST BROMWICH.

"I couldn't see any future in the project I was working on and I'd received a job offer from a very big company," he recalls. "But I decided to stay. I didn't leave because I didn't want to be a quitter... I'd never given up on anything and, if I'd left, there would have been unfinished work. I couldn't just walk away – my conscience wouldn't allow me to."

His loyalty has been rewarded with promotion to the top job in the department where he has helped IM to spread its wings around the world, taking over from David Wall as Director of Business Development. David retired on his 70th birthday in April 2014 handing Martin a team of 47 spread between the UK and China. "The vast majority are in China," says Martin. "My team here is just half a dozen. Our role is developing business for the IM Group's automotive side. We're currently working closely with IM Nordic to expand our highly-successful business in Scandinavia."

Expansion in China is on his agenda too. "We want to grow our Vehicle Certification Agency (VCA) business by opening offices in the various regions. China is such a large country you've got to have regional offices and staff to grow." Establishing the VCA in IM's office in Beijing was a project where Martin assisted David Wall. "When David joined the department in 2003 we moved toward greater diversification and more intense development with vehicle manufacturers. Within a couple of years we'd set up the VCA business, developing it over the past 10 years into the premier vehicle type-approval service in China.

"We also developed a relationship with the Naza Corporation in Malaysia and several large Israeli companies, all mostly in the automotive sector. Strangely, no matter how hard we try to diversify, the automotive sector is like a magnet – we're nearly always attracted back to it. But then that's where our skills are..."

It was those skills that saw Martin involved with LDV, the former Birmingham-based van maker. IM became their procurement office, securing more than £10-million worth of goods annually. JCB is another client for whom IM has worked in China. At the other end of the scale, IM does the quality assurance work in China for a manufacturer of plastic trombones!

Possibly the climax of his work in China came in 2007, when IM's relationship with Great Wall Motor reached the point where a distribution agreement was signed. "From then on a large part of our work has been helping them to prepare to come to the UK," explains Martin. Much of his career has been spent travelling with 100-plus trips to China and several to India, Malaysia, Israel, Eastern Europe and Russia.

Martin's African adventure started soon after he joined IM in 1997 and embraced both success and disappointment. "My role in the Zimbabwe truck operations was ensuring that the vehicles were fit for purpose, doing the engineering modifications, getting the drawings produced and then the build instructions for the assembly plant. The trucks were shipped, in CKD form, from China to our assembly plant in Harare. It was a very interesting time – the business was growing extremely fast. But then, due to the political problems in Zimbabwe, it died virtually overnight.

"We spent a couple of years marking time in the hope that the political situation would improve and allow us to continue. But it didn't. In the meantime, I became responsible for sourcing used British HGVs and shipping them out to Zimbabwe for sale through our company there. It was quite successful and while IM was reluctant to pull out, the economy further imploded. By 2002 we had no option other than closing the business."

Even with all that was happening in Africa, Martin still had responsibilities in China. "One of the things we did was to sell Peugeot-Citroën diesel engines to Chinese vehicle manufacturers. We achieved some quite big contracts with First Auto Works and Chery. Around this time – 2000/2001 – we started to develop our relationship with Great Wall.

In his new role, Martin expects to be delegating some of the travel and spend more time with family, walking his dogs and looking after his collection of antique pocket watches – things that were difficult when he was always flying off somewhere... "At one stage I must have been out of the country for almost half the year. Fortunately, I have a very tolerant wife who understood what needed to be done."

However, the new role brings new objectives and targets. "My immediate plan is to significantly increase the sales revenue over the coming three years. We are in talks with a premier British supplier of automotive products to launch their range in China. So not only will IM be bringing Chinese goods to the West, we'll also be taking British products, made in Britain, to China!"



Martin Dalton at The Great Wall, China

FUTURE IN FOCUS

The ever changing conditions and how IM continues to respond positively by Andrew Edmiston.

There is a lot to be said for doing things in a counter-cyclical manner. When the market crashes, buy; when it booms, sell. Fortunes have been made this way on many occasions.

After a number of difficult years in the post recession period, we now have an established trend of strengthening performance. Perhaps the obvious thing would be to keep going, anticipating further boom years. However, although we believe the company can keep growing at a good pace, the next 12 months could prove to be quite turbulent in economic terms.

The certainty of a UK general election (and the distinct uncertainty of its result) could provide a significant increase in the volatility of international markets. The further implications of that result for the UK's position within Europe is unlikely to make life simpler, whatever the outcome and whatever your own particular view. We are entering a year where there is quite a lot about our environment that we don't know.

So what do we know? Well, we are sure that the last recession has forced us into a much fitter state. And we are also sure that we have been using the recent improved economic conditions to elevate our business performance to a whole new level – certainly as far as our property and car businesses are concerned. In fact, with 2014 being a record year for IM Group, we have every reason to believe that the future is bright indeed. We already know that continued performance increases in our property business for the next few years look very likely and that there is real momentum in our car business too. Here's the conclusion though; there is no room for complacency and we need to be as keen and hungry to watch what is going on around us as we were five years ago. If we can manage that, we should have every chance of continuing to grow and produce the kind of outstanding results we have seen recently.

A final word about our staff. Across the business we have hugely talented people working for us. They are skillful, relentless and diligent, and they even seem to enjoy what they are getting up to! Long may it continue. Our recent success shows that we are not a collection of individuals, but that we are a team.

Thank you all.

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We needed to design an advert that not only tied in to the sponsorship of the RFL, but also showed off the Blade in a strong visual way. We used a ³/₄ side on image of the Blade as the hero image, and placed a rugby ball in the bed to make the image really grab the reader's attention. We added product messages into the supporting copy (e.g heated seats, sat nav) to show off not only the aesthetic strengths but the practical comforts too.

www.imgroup.co.uk