• Monosofie And Andrew Science Science

CITROËN IRELAND Excitement surrounds IM's newest franchise

IM PROPERTIES

Developing a good business into a great business ISUZU Record sales in the UK and new beginnings in Sweden DUBLIN

SUBARU

UK

Get a grip! "It's the perfect theme for our printed Subaru advertisements. which promote the core technology behind what makes Subarus unlike any other cars," says Bianca De Bono, group marketing communications manager. "These ads show our models in various environments, doing what they do best, living in the great outdoors, and being the enabler for every aspect of our customers' lives." Designed primarily for what are known as 'rural publications' the ads form part of an integrated approach across various advertising platforms.

SCARED OF THE WET?

GET A GRIP.

ТНЕ ОUТВАСК ▼

THE FORESTER



SYMMETRICAL ALL-WHEEL DRIVE ALL THROUGH THE RANGE.

THE XV

Some cars look like a 4x4. Some even sound like one. But only Subaru can take steep inclines and harsh terrains all in its stride. It's all down to its Symmetrical All-Wheel Drive system, which gives you total control, and more grip, in all terrains. And its tough Subaru Boxer® Engine, which gives you a smoother, safer and more responsive drive. Both come as standard, all through the range.

So, if you're ready for anything, find your local dealer at **subaru.co.uk** and book your test drive. Or join in the conversation at **#ConfidenceInMotion** 5 YEAR

🥑 🗗 🖸 🖗 🖸

SUBARU

Confidence in Motion

SUBARU FEATURED RANGE fuel consumption in mpg (l/100km): Urban 25.2-41.5 (11.2-6.8); Extra Urban 40.4-61.4 (7.0-4.6); Combined 33.2-52.3 (8.5-5.4). CO₂ Emissions 197-141g/km. MPG figures are official EU test figures for comparative purposes and may not reflect real driving results. [†]For built-in peace of mind, every vehicle (except WRX STI) marketed by Subaru (UK) Ltd is covered by a 5year/100,000 mile (whichever is sooner) Limited Warranty. *Excludes Subaru BRZ.

INTRODUCTION



IM REVIEW 2015/16

By Andrew Edmiston Managing Director - IM Group

In the last couple of years, following on from the difficult period either side of the turn of the decade, IM Group has been benefitting from some of the changes we made during that time. This can easily be seen from the various articles and activities covered in recent Reviews.

In 2015 this progress has, if anything, accelerated. The main economies that affect our business - particularly those of the UK and Northern Europe, plus the US, Germany, Japan, Thailand and China – have been favourable and have allowed the group's strategy to continue unfettered.

In fact, 2015 has been a super year for not only growth in profitability but also for growth per se. IM Properties has seen a strong move forward this year, particularly in terms of our development activities with the completion of a major 775,000 sq. ft. facility at our Dordon site in Tamworth, UK, plus growing momentum in a number of our other development sites, such as Blythe Valley business park and The Hub in Birmingham. Add to that another year of growth for Spitfire Bespoke Homes and the already strong underlying performance of our property asset portfolio and the net result has been a record performance. Of course, this is not just some sort of 'happenstance'

but the effects of a clear strategy, a settled and effective management team and a burgeoning reputation for being able to deliver what we say we will, even as the scale of deals we are able to undertake grows.

This 'super-growth' has also been seen in our car business, where 2015 heralds not only an increase in performance but also the acquisition of two new franchises; Citroën Ireland and Isuzu Sweden. The end of the year also saw the group in discussions with another manufacturer where terms have been agreed for a collaboration that could well extend to a number of markets across Europe.

The Funding Corporation has had a year of continued rebuilding. But we have established a clear direction for the future; one which we hope and believe will take us from the profitable business we have now to one that will be not only profitable, but able to grow to a much larger size and retain the reputation for quality and responsibility that we currently have.

As ever, I hope that the articles that you will find in these pages give a really good flavour of what is happening in our business, even though there is not nearly enough room to talk about everything!

ISUZU

UK

This advertisement promotes the Isuzu D-Max Huntsman accessory pack, designed with the insight and assistance of the chef, restaurateur and hunter, Mike Robinson. "And he can testify that it's truly fit for purpose!" says Lois Greenidge, marketing manager for Isuzu UK. "Designed specifically for the professional, dedicated huntsman and countryman, this vehicle has everything you need from lockable out-of-sight storage to heavy-duty side-steps. This pick-up, finished in distinctive Tundra Green is professional in every detail."



MPG figures are official EU test figures for comparative purposes and may not reflect real driving results. Official fuel figures for the Isuzu D-Max Utah manual transmission: mpg (I/100km): Urban 31.7 (8.9). Extra Urban 44.1 (6.4). Combined 38.7 (7.3). C02 emissions 192g/km.

Model shown Isuzu D-Max Utah fitted with Huntsman Accessory Pack. CVOTR price for D-Max Utah manual transmission £21,999, CVOTR price includes delivery, number plates, 12 months road fund licence and first registration fee, excludes VAT and metallic paint change. Automatic transmission available ta extra cost. Huntsman Accessory Pack is fitted after vehicle registration and is available for D-Max Utah and D-Max Vixon double can models only both manual and automatic dervalutes, Davailable in Costmi Back and Tunding Tutak rotation galaxies for trait delistic Back cancel tanding taker knowleds. For full delistic Back cancel and take take take take takes the state take takes ta

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ISUZU PICK-UP PROFESSIONAL OF THE YEAR WINNER



Charlotte Day, Isuzu's Pick-up Professional of the Year 2014, who received her award in January at a gala dinner, is not only the first woman to win the award, she is the first to have scored 100% in the first stage of the two-part training scheme. And when it came to the critical second part of the programme – when everything the 36 trainees had been taught – she scored a record 103 points from the maximum 104 available. "Having achieved 100% in the exam following the intensive twoday foundation course I went into the second stage trying to be as competitive as possible," says the 25-year-old who joined Newmans of Southampton in April 2014. "I am quite a competitive person. But with all these things you don't expect to win, especially with all the competition. For a woman to win an award in the motor industry – let alone something that's as manly as pick-up sales – is pretty good! "But I must say that a huge part

of why I did so well is because the teaching facilities at Isuzu are fantastic. They go through absolutely everything.

"Newmans had taken on the Isuzu franchise the previous September. Before I joined them I'd been selling Seat cars. But was attracted to Isuzu because I live in a farming community and my father sells fishing and shooting days," adds Charlotte who lives in Stockbridge, Hampshire.

"Looking around the guests at the awards dinner, I not only felt very female I also felt very young! The motor trade – and pick-ups in particular – does seem to be an older, and very male, crowd..."

William Brown, operations director of Isuzu UK, says Charlotte's achievement was remarkable. "The award is open to the whole Isuzu dealer network. To be eligible, the sales specialist must be nominated by the dealer principal and must have completed the annual Isuzu training scheme. Entrants are assessed by independent sales training specialists who observe and mark them on product knowledge and their handling of customers throughout the sales process, including a vehicle walk round and test drive. Charlotte's remarkable achievement illustrates our commitment to continuously improving dealer training and customer service."

"LOOKING AROUND THE GUESTS AT THE AWARDS DINNER, I NOT ONLY FELT VERY FEMALE I ALSO FELT VERY YOUNG!"

ANOTHER RECORD YEAR For ISUZU

With less than a month before the end of the year, Isuzu D-Max sales in 2015 were on course to top 6,000. The new record will beat 2014's tally of 5,502 by a handsome margin – lifted, in part, by sales of cherry-picker conversions and fleet orders.

"The demise of Land Rover's Defender has given us the perfect opportunity with our cherry-picker conversion," explains William Brown, operations director – Isuzu UK. "High demand for this product means that many orders are now reaching well into the New Year. And with utility companies being the main purchasers of cherry-pickers, we hope



this will lead to further sales of D-Max into their general fleets."

William is planning a campaign during 2016 that focuses on the key D-Max strengths – 3¹/₂-tonne towing capacity, five-year warranty, rugged durability and keen pricing – to counter the launch of a number of uprated and revised pick-ups from rival manufacturers. "When these models are launched we will lose our advantage of being the newest pick-up in the market," he points out. "However, we believe that our competitors will be incorporating more car-like technology and refinement in their new offerings. This is fine. But we believe a pick-up should be a workhorse and we'll be emphasising the D-Max's many merits as a work vehicle and playing to its strengths."

Not that the D-Max lacks comfort and refinement, which comes as standard. And for 100 customers there will be a very special limited-edition D-Max launched on the 100th day of 2016 to mark Isuzu's centenary. "The company was incorporated in 1916 so we have decided to mark the 100th anniversary with just 100 very-high-specification D-Max pick-up trucks," says William. "It is also the 40th anniversary of the IM Group, so it's going to be a big year for us as we concentrate on increasing our fleet sales and meeting customers' demands with good availability and good pricing."



The Jewson Isuzu D-Max rally team finished the 2015 British Cross Country Championship with a second successive production-class victory. Rally veteran, Jason Sharpe, and co-driver Richard Lester, finished 1st in class in five of the six-event series including Round 5, held at the Bovington MoD training ground, front-axle damage meant they had to finish the event in rear-wheel drive only.

While reliability was 100%, Round 4 in Hafren Forest in Wales saw driver error forcing retirement. After clipping a grass bank the D-Max was involved in a dramatic rollover. The crew emerged unscathed but vehicle damage was too great to continue.

Congratulating the team on its impressive season, William said the D-Max's capability, durability and toughness had overcome the most gruelling of challenges. "Jason, Richard and the rest of the team should be very proud of their unwavering resilience throughout the season."

NEWS

SUBARU

September saw the simultaneous launches in Sweden and the UK of Subaru's enigmatic new Levorg – a car that Paul Tunnicliffe, managing director of International Motors UK & Ireland, describes as a niche within a niche within a niche! "It's a typical Subaru – a car that none of the volume manufacturers would entertain. It's only available with a 1.6-litre direct-injection turbo petrol engine developing 170bhp, so it's a performance car. But it's not available with diesel engines or manual transmission - only CVT. Also, it comes only as an estate wagon, which will inevitably limit its appeal. But it's definitely still worth our while launching it here." And while he says volumes in the UK will be in the region of 500 a vear, those in IM's Nordic territories - where the Subaru Legacy was a top seller - are bound to be higher.

"My colleagues there are quite optimistic because Levorg is, in almost all respects, a car that could well have been designed for that region. However, in all our markets it's going to be a really interesting proposition. It's a typical Subaru and one that many customers will want."

Subaru Europe decided to hold its VIP Press launch for Levorg in Stockholm where, a year ago, it launched the WRX STI and new Forester to journalists. Earlier in the year, Subaru Europe invited one specially-selected motoring writer from each European country to Sweden where they drove unregistered Levorgs on the Training Partner private test track. And while it is unusual for a manufacturer to return to a launch venue, it indicates the attraction to Levorg that Scandinavian drivers are likely to have – a belief underlined by sales in the territory since the September Press launch staged by IM Nordic's PR manager, Thomas Possling. "We will have sold almost 800 Levorgs in the four months between launch and the end of the year," he says.

"I am optimistic that full-year sales could hit 1,000 – possibly 1,500 - units. With good fuel economy, a good-sized cargo area and lots of space, it is a very practical car – perfect for our market! For owners of particularly the fourthgeneration Legacy, which ended in 2009 and was our most popular Legacy version, Levorg is an ideal replacement. It gives us the opportunity to offer a non-SUV, non-crossover Subaru Estate. This has made our customers very happy and is part of [the reason for] our great success following the introduction. It's the car they have been waiting for."

Thomas believes Levorg will do well in the Baltic markets too. Customers there are not concerned by the lack of a diesel version. Meanwhile, in Finland – where the government doesn't like diesels – Levorg will be attractive because its taxation will not be so high as some potential options.

In the UK, Paul Tunnicliffe also expects Legacy owners to be potential Levorg buyers. "Once Legacy stopped, there was nowhere for those customers to go because nobody produced a vehicle quite like it. Cars like the Volvo V60 were cited as an option. But that's only two-wheel drive and Subarus are allwheel drive. In reality, the market in which Levorg is positioned is the sort of market that is of interest to no-one else. But [that market] is a sort of homeland for Subaru and its many enthusiastic owners."

It is, he says, a sizeable market that no-one else is satisfying. However, Subaru already has good relationships and reputation in that market. "Direct marketing to people who have had Legacies in the past, and capitalising on IM Group's CRM system, will give us good routes to potential customers for Levorg. Dealers will sell it for us because the market is there for the taking."

Thomas Possling's decision to take two Scandinavian journalists to Japan almost a year ahead of Levorg's launch was a gamble. It could have made other writers envious. But it had the opposite

NEWS

effect – it whetted their appetites. And when the car became available for testing they all wanted to get behind the wheel.

Some 50 Nordic journalists sampled Levorg during the launch, with two hours' testing on the Training Partner test track near Stockholm airport, and three hours on open roads.

Thomas says all the journalists agreed that the car has excellent road performance and handling, the latter no doubt related to the fact that Levorg's chassis is taken from the Subaru WRX STI. "This makes Levorg very agile with responsive steering. Some journalists said it would have been nice to have a bigger engine, but they all agreed that 170bhp is enough for day-to-day use on normal roads. And, let's face it, Levorg has been designed and built as an everyday car even though it has a sporty twist."

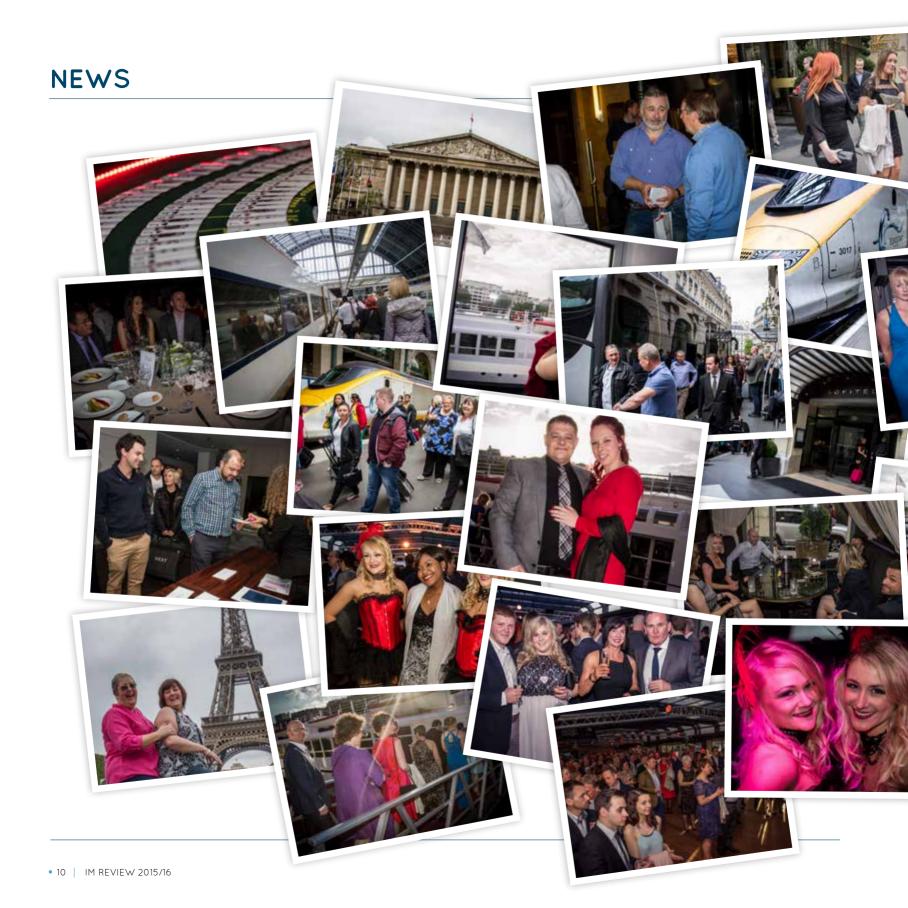
At the UK Press event, also in September, Subaru attracted "all the great and the good" says Paul Tunnicliffe. "For its volume, Levorg does seem to punch above its weight for the journalists. It's got good performance, it's quite stylish and, as Thomas has pointed out, it shares a lot of its underpinnings with STI. So even before we launched it. and when it was revealed at the Geneva Motor Show in March, motoring writers got very excited about it. The result was we had a high-profile UK Press launch in Yorkshire."



"...IN ALL OUR MARKETS IT'S GOING TO BE A REALLY INTERESTING PROPOSITION. IT'S A TYPICAL SUBARU AND ONE THAT MANY CUSTOMERS WILL WANT."







PARIS CELEBRATIONS



After a record-breaking 2014, IM Group staff and their partners found themselves setting a new record during a celebration trip to Paris and gala dinner on the River Seine in April. It came when the party – 460 in total – boarded the Pacquebot for a dinner cruise. "We filled the boat to capacity! It was the biggest party they had ever catered for on board what is, in effect, a river-sized luxury liner," explains Steve Eardley, IM's promotions and events manager.

The weekend was organised to thank staff from the Group's locations in the UK, Ireland, Scandinavia and China for their efforts during 2014 that saw IM enjoying significant success after some difficult times during the years of economic recession that started in 2008. The vast majority of employees were able to accept the company-wide invitation.

"Having assembled in London all those able to take up the invitation on the Friday evening, we put them up in hotels before boarding two Eurostar trains to Paris. Our group filled one train and half of the second! When we arrived in Paris, guests were coached to the five-star Le Collectionneur and Sofitel hotels just off the Champs Elysee. That evening we assembled for a reception at the Yacht du Paris Pier, close to the Eiffel Tower, where a Subaru Impreza took centre-stage in the yacht club conference room." IM Group had donated the car as star prize in a raffle to raise funds for the company's second aid mission to Cambodia (see page 16) before boarding the Pacquebot. When guests returned after the dinner cruise, the yacht club had been transformed into a casino for those who fancied a flutter on the gaming tables. It was at this point where Paul Cartwright, one of IM Group's two longest-serving employees (the other is Bob Edmiston!) drew the winning raffle ticket.

Before returning after lunch to London by Eurostar on the Sunday, guests were able to take one of three tours of Paris – one round the city, one to Montmartre or one to the historic Marias heritage district.

For IM Properties' development director **Richard Lawrence, and his** partner, Katie Watson, the trip to Paris got even better when Katie, head of facilities management for the Acorns Children's Hospice, won the Subaru Impreza. "The trip was fantastic," says Richard. "An all-expenses-paid weekend in Paris and then Katie wins a car... It doesn't aet much better than that. To say it was a nice surprise is an understatement!"

The couple had bought three of the 20 charity tickets, just happy that their contribution would help the fund-raising for January's aid mission to Cambodia. "When the winning ticket was drawn we were quite some way away at the back of the casino and I didn't clearly hear." explains Richard. "But Katie said she thought it was her ticket. We auicklu did a double-check. It was pretty tense while she made her way to the front to confirm it."

When the full impact of winning the Subaru dawned, the couple were so overwhelmed that they immediately made a £1,000 donation to the Cambodia mission fund.



NEWS



Letters to Paul Tunnicliffe, managing director of International Motors UK & Ireland, from satisfied Subaru owners are not uncommon. But one received from a Birmingham couple is certainly unusual...

Martin Dunkley, who worked for an insurance company, and his partner, Natalie Hammett, a primary school teacher, gave up their jobs in the summer of 2014, let the home they had just bought and headed to Australia for a year-long adventure. After landing in Sydney they bought a 17-year-old Subaru Forester with 391,920km (243,534 miles) on the clock. "It was rusty, jumpy and cheap – A\$1,750 [£820]," says Martin, 26. "At first, Natalie was unsure of the car."

However, after enlisting the help of a Sydney garage in exchange for a day of his time, Martin changed the knock-sensor, spark plugs, ignition leads, engine oil and brake fluid before repairing the punctured spare tyre. On a test drive the Forester – initially called Wallace the Wimp – gave the couple such confidence they re-Christened it Wallace the Brave.

During their Australian adventure, Martin managed to get a job with Cirque du Soleil as assistant head usher while Natalie worked as a nanny. They travelled the entire east coast of Australia, often going where signs warned '4x4 Only'. "We lived in Wallace," says Natalie.

"The car was our bed, our home and our transport. Without it we would not have seen and achieved all the things we did."

When July 2015 arrived, and it was time to head back to Britain, they advertised Wallace – now a year and 24,000kms older – for A\$1,500. Sadly, interest was low and the one woman who seemed to be a likely buyer, failed to turn up at the appointed time after her mother was admitted to hospital and her own car broke down. "She said she had to use the money she was planning to spend on Wallace to pay for her own car," explains Martin. "But because it was so close to our flight home we told her to bring what she had and she could have the car."

The deal was done. Martin and Natalie pocketed just A\$400 [£188]. But they both admit the A\$1,350 [£633] that Wallace had cost them was nothing compared to the value the car gave them as their home and transport over more than a year.

So what prompted their letter to Paul?

"Back home we have a European car that has given us nothing but grief," explains Natalie. "Inevitably we started to think about how good the much older Subaru had been and wanted to share our amazing story."

SUBARU'S A GREAT BRAND - SAY DEALERS

Subaru dealers gave IM Group the thumbs-up in the highlydetailed National Franchised Dealers Association (NFDA) summer survey; while in Car Dealer magazine's survey of dealer attitudes, Subaru came third with 81.3% in 2015, more than doubling the 2014 score.

The results were music to the ears of Paul Tunnicliffe, managing director, International Motors UK & Ireland. "Historically, we've always been in the bottom quarter, if not the bottom 10%, of the NFDA survey. To be in the top quarter is very encouraging, a great incentive to do even better and an excellent reward for all the hard work that our individuals have put into addressing relationships with dealers."

There's no overall winner in the NFDA survey, explains Paul. "But to the question 'How do you rate your manufacturer overall on a scale of 1 to 10?' Subaru scored 7.1. That's up from 6.6 last time and puts us in the top 10, out of almost 28 franchises, and well above the 6.2 average score. We find ourselves now better-regarded by our dealers than Land Rover are by theirs...



Generally speaking, the premium brands dominate these surveys.

However, apart from Suzuki, we're the first non-German, nonpremium brand."

Reporting on the results of its Car Dealer Power survey, Car Dealer magazine commented: "Wow! Serious improvement here, more than doubling last year's score of 34.4% and [Subaru's] racing up the charts faster than a BRZ on the M1." Moving from 23rd in the survey to 3rd in the space of 12 months, the magazine was full of praise for the way Subaru had "...listened to its dealers – and acted accordingly." "TO BE IN THE TOP QUARTER IS VERY ENCOURAGING... AN EXCELLENT REWARD FOR ALL THE HARD WORK THAT OUR INDIVIDUALS HAVE PUT INTO ADDRESSING RELATIONSHIPS WITH DEALERS."

NEWS

NEW APPOINTMENTS



Chris Hawken

Former Vauxhall marketing director, Chris Hawken, joined IM in November to take up the role of marketing director, International Motors UK. During his career, Chris – who started at Rover – spent 14 years with the Volkswagen Group and 3½ years with Hyundai Europe based in Frankfurt. "What's exciting about moving to IM is that the Group has smaller volumes in niche markets and is profitable," he says. "In my previous positions it was massive volumes, but no-one made any money…"

Not that Chris intends to allow volumes to remain at current levels. "I'm looking forward to making a difference to Subaru, Isuzu and other IM brands with strong marketing to their customer groups while, at the same time, finding many more new buyers for the products."

He says Subarus are great cars with great technology. "However, they're a bit like hidden secrets. But that means we have the potential to do a lot more with the brand. The same can be said for Isuzu. There's potential for far more sustainable volumes. And the new brands coming to the IM Group will significantly increase the breadth of our customer base."

Chris, who is 50, lives with his wife, Fiona, in Thame. They have a daughter, 18, going to Durham University, and a son, 16, currently studying for his A-levels.



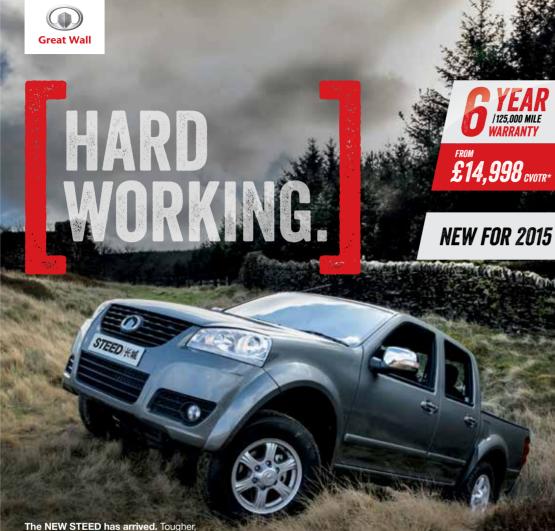
George Menzies

When solicitor George Menzies was introduced to Bob Edmiston 22 years ago to help fight a David-and-Goliath legal battle with General Motors, who wanted to take Isuzu from IM and give it to Vauxhall. He thought it was a one-off case. But after successfully seeing off the US car giant in the courts, George – who was in private practice – found he was doing more and more legal work for the company.

So much so that towards the end of last year, when George was invited to an England football match at Wembley by Gary Hutton, IM's director of administration, the two missed part of the first half because Gary was inviting George to become the company's in-house general counsel. "There were a series of complex legal manoeuvres that were beckoning throughout 2015," explains George. "It was an opportune moment to roll up my sleeves and get more involved. And as England triumphed 3-1 over Slovenia, I was persuaded to join the cause!"

Recently he has been heavily involved in the legal documents connected with IM's acquisition of Citroën in Ireland and other negotiations.

George, who lives in London with his wife, Jane, spends two days a week at IM House and the rest of his time in the capital. "London is a sensible place to be, for a number of reasons, and it has a number of advantages," he says.



GREAT WALL

"In this Great Wall advertisement we highlight the Steed's off-road capability as well as showcasing the vehicle's rugged looks," explains Luke Hewitt, marketing co-ordinator for Great Wall. "As a fairly new face in a wellestablished pick-up market, we have incorporated a list of the Steed's high-end features, which are listed alongside its remarkably competitive entry price. All these details serve to reinforce the Steed's proposition as a truly great-value pick-up."

more capable and hungrier to take on anything that comes your way. With updated rugged looks, a reassuring 6 years warranty and an appetite for hard work, the new STEED is The Intelligent Choice.

Every new STEED comes prepared with:

- · A practical and comfortable leather interior
- · Individually heated front seats
- Rear view mirror with tyre pressure monitoring system and exterior temperature display
- Bluetooth[®] hands-free mobile phone connectivity
- Steering wheel mounted audio controls
- Alpine CD/USB/RDS Radio / MP3
- Four surround-sound speakers
- Air-conditioning
- Shift-on-the-fly 4 wheel drive

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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 sconer) Limited Warranty. Subject to availability, while stocks stars. For general terms and conditions, visit wavegreativalinforco.uk.

MISSION CANBODIA

Eleven IM people from four nations – the UK, Ireland, China and Sweden – will be heading to Cambodia for nine days in January as the company's second mission to help villagers in Oudong build a better life. They will follow in the footsteps of the first team, which helped to build a women's shelter for the community at the start of 2015.

For one of the intrepid 11, Nikki Janes, it will be a return visit. "I was one of the original team and it was thought that it would be very helpful from a continuity perspective if I led the 2016 mission," explains Nikki, one of the IM Group's promotions and events team. "On our original trip, no-one knew what to expect and there was a certain amount of apprehension about insects, creepy-crawlies and things like that. As it happened, we didn't see any creepy-crawlies."

Indeed, the most intriguing aspect of the trip was when team members were asked to wash the hair of children in a nearby village. "It was a shanty village built on a rubbish dump near Phnom Penh. We were tasked to meet the women and children and wash the children's hair to de-lice them. After we'd washed all the children's hair the women asked if we would wash theirs. And when the men came home from collecting plastic on the rubbish dump, they asked! "Out of respect, men washed the men's hair and women did the women's and children's. I must admit that we were all a little bit apprehensive at first. But once we'd started it was really nice because we felt we'd contributed something. It was just so humbling. In situations like this all your fears and barriers disappear because these people really need your help. Everyone in the team got involved. Yet there was no pressure to do that."

For UK group resources director, Darren James, who led the 2015 mission to Cambodia, the hair-washing generated deep emotions. "When I asked the team how they would feel about resolving an outbreak of head lice if it happened in the office, no-one was particularly keen! But when we were over there, everyone wanted to do it. And that was because once people understood why we were being asked to wash the children's hair, it became really emotional.

"These children, who go to the rubbish dump every day to recycle plastic and make some money for the family, are dirty.





They do smell. And they do have head lice. And when they go anywhere near any of the population they're shooed away. All their life, these kids are rebuffed. So for Western people – strangers – to offer to wash their hair, it was something they'd never ever experienced before.

"When you sat down, they would come and sit near you. Then they'd try to get closer. That showed us that it wasn't just about washing hair... It was about us saying you're a precious human being and we have love for you. That was something else they'd never experienced before. It was a very powerful emotion."

Nikki fully expects that hair-washing will be among the tasks for the second party heading to Cambodia early in 2016, although their key objective is the construction of huge fish tanks as part of an aquaponics fish-farm project to provide the Oudong villagers with food and a commodity to sell. "We have been asked to help with their medical programme – so I'm definitely anticipating more hair-washing!"

Under Nikki's leadership, team members have been busily raising funds for the trip. The target was £18,000. However, by the end of the year, more than £24,000 had been raised! IM put up a new Subaru Levorg as the star lot for auction at a grand fund-raising gala dinner.

The team will be working in Cambodia alongside Manna 4 Life, a Christian charity committed on a full-time basis to improving the lives of people from Oudong.



2016 MISSION

The 2016 team will be truly international with two members – Sky Hao and Lucia Li – from IM's Beijing office, two from IM Nordic in Sweden – Emelie Nilsson and Pernilla Hansson – and Neville Matthews, managing director of IM Automotive in Ireland.

They are joined by Faye Beesley, Harry Goodman, John Nunney, Dave Badder, Luke Hewitt and Nikki Janes from various parts of the Group based in the UK.

BENVENUE CITROËN

When Chris Graham, IM Group's dealer development manager, was offered 'a life-changing opportunity' to become managing director of Citroën & DS Ireland – the new name for the importer and distributor of Citroën cars and vans in Ireland acquired from PSA by IM Group – his head and his heart were immediately in conflict. "I'd been called to Andrew Edmiston's office one Wednesday in May, just before I was due to attend a Subaru franchise open day. I wondered what it was all about as it seemed a bit urgent. "Andrew simply said: 'I'm going to offer you a life-changing opportunity to take on the role of managing director of Citroën & DS Ireland. Let me have your answer by Friday.' In my head, my answer was 100-per-cent yes!" says Chris. "In my heart, however, there was a nagging doubt as I have a well-publicised fear of flying. And I knew that if I accepted, I'd be boarding planes to and from Ireland every week. But I still said yes."

Unfortunately for Chris, despite many subsequent flights between the UK and Dublin,

his flying phobia has not diminished. But his knowledge and understanding of Citroën, Ireland, apartment-hunting in Dublin and the exciting prospects for IM Group's newest franchise has grown enormously. And there is something of déjà vu in the appointment... Before he joined IM in 1998, he'd spent 21 years in the automotive retail sector, 16 of which were as director or dealer principal. And among the many franchises for which he was responsible was Citroën.





"Acquiring the Citroën and DS business in Ireland is a tremendous coup for IM,"

CITROËN







"Acquiring the Citroën and DS business in Ireland is a tremendous coup for IM," he says. It's completely against the trend for a private, family-owned company to take on a distributorship from a manufacturer. Almost always it is the other way round. However, business in Ireland had been extremely challenging for the French auto maker. Its new CEO, Carlos Tavares, resolving to make profits in every aspect of their business, carefully examined operations in every territory. In some, including Ireland, selling the distributorship was deemed the best strategy.

"Our new business team, led by Martin Dalton, were in discussions with PSA for some time," explains Chris. "They were long negotiations. Ireland was the second distributorship that PSA sold. Initially we were in a three-way battle for the business. However, we were later offered exclusive negotiations. And that's when the real work started! We were firmly focused on our objective and we were determined to succeed."

What IM Group acquired at the end of July, and officially started to run on 1st October, were the import and distributor rights for Citroën passenger cars and vans and the premium DS brand, which has won acclaim from customers, the media and even rival manufacturers. IM also took over the impressive former CMI headquarters and dealership premises, including the staff, located on the Airside retail park at Swords, close to Dublin's international airport. Under its new name – Citroën & DS Ireland – IM will serve the 22-strong Irish Citroën dealer network and four after-sales dealerships that offer just servicing.

Not that the network will remain that size. "Because PSA is separating the Citroën and DS brands, by 2018 we will have a Citroën dealer network and a DS dealer network," says Chris.

"The DS network will be relatively small, with dealerships in key locations, predominantly the major cities. There will be two levels of becoming a DS dealer – either a DS 'Salon' or a DS 'Store'. DS Salons will have shared facilities with a Citroën dealership, split into two, while DS Stores will be completely independent. Potentially, a DS Store might have other franchises."

It will, he promises, be a smooth transition. "Our loyalty is absolutely to our existing current dealer network we acquired when we bought the business. There are no plans to shake-up the network – quite the opposite. We are looking to strengthen the network. I am totally mindful that we have a responsibility to our dealer network and the 300-plus people who work in those dealerships. Like the IM Group, Irish Citroën dealerships are almost entirely familyowned private companies. And that has certainly struck a chord with them as they come to get to know us." "There are no plans to shake-up the network – quite the opposite. We are looking to strengthen the network."

CITROËN



So what is the challenge for Chris, the team in Ireland and the dealers?

The reputation of Citroën in Ireland has, in the past, taken a knock. Historically the brand suffered reliability issues. And while that was back in the 1980s, memories are long. As an indication of the consequences, Citroën's market share in Ireland for the past 20 years has hovered between 1.8% and 2.2%. Across Europe as a whole, the brand's average market share was 4.5%. Clearly the new team have to overcome any lingering doubts potential customers might have. And they are confident they can do it. Marketing manager, Louise Murphy, says today's Citroën models are more than up to it. "The product that we have now competes with the best in the market in terms of quality and reliability. Essentially there are three ranges – Citroën passenger car, DS premium passenger cars and Citroën LCVs."

When it comes to vans, the top seller is the Berlingo. It takes 44% of sales, has a strong reputation in the Irish market and is popular with SMEs. "It's bread-and-butter for the network," she says. "We also have the Relay, which was updated last year, and Dispatch. There's a new Dispatch coming next year and this will be a massive launch for us and a big opportunity. On the Citroën passenger car side our two stars are seven-seat Grand C4 Picasso – by far the number one seven-seat seller in Ireland with 40%-plus of the sector – and the still-new C4 Cactus."

Louise says the creator of the distinctive and 'funky' Cactus wanted to bring back the once-universal stand-out design of Citroëns. "Cactus isn't for everyone. It's a Marmite car!" she admits. "But Citroën are quite happy to go down that route. Although it was launched only a couple of years ago, we believe there's a lot more to come from Cactus. It's in the fastest-

CITROËN



growing sector and you get a lot of car for your money. It's no coincidence that it has won 36 awards to date."

The third string to Citroën's bow is its premium DS brand. The DS 3 was launched in 2010 with the DS 4 coming a year later and, in 2012, the DS 5 was unveiled. Initially sold sideby-side with other Citroëns, PSA announced in 2014 that the DS brand would be completely separate, with its own dedicated DS dealerships.

DS models have been a great success. More than 550,000 have been sold world-wide with sales in China – where they have always been a separate premium brand, never Citroën –

particularly high. Explaining the philosophies behind the separate brands, Louise says DS is all about customer experience. "Models like the Cactus are seen as funky-fresh, whereas DS models are all about luxury and refinement – all that is best in French design. If you buy a premium brand, you expect premium service. The two brands will appeal to very different customers, hence the separation."

And there is another good reason for the emphasis on the DS brand. While just 10% of global car sales are in the premium sector, a massive 50% of profits come from premium car sales...

A DAY IN THE

Thursday 30th July 2015 started for Louise Murphy, marketing director for Citroën Motors Ireland (CMI), pretty much the same as usual. She drove from her home which, at the time, was in Glasnevin on the Northside of Dublin city to her office at Swords, close to the city's international airport.

The 20-minute, 10-mile motorway commute in her Citroën Cactus was comfortable and easy. But not nearly as convenient as when she used to live just 10 minutes' from the Airside retail park where CMI's imposing headquarters and dealership is located.

What happened on that day – and before the Trinity College business and French-language graduate with a Masters in Public Relations and an Executive Masters in Marketing from the Dublin Institute of Technology returned home – would make it a day in her life that she'll never forget.

"It was the day that Andrew Edmiston, Chris Graham, Paul Tunnicliffe, Martin Dalton and Neville Matthews - the 'Famous Five' from IM Group - were coming to meet the CMI staff following an announcement to employees the previous day by Pedro Regalado, our then managing director, that IM Group were buying the company from PSA. We all knew the IM team were arriving, so when I came to the office I managed to get all the daily operations out of the way, to be ready for when they arrived. Ireland is a two-peak market – January and July. In those two months you do almost 50% of your sales. So in the last week of July we were still running around trying to wrap up the sales while, at the same time, knowing that this seismic change was about to happen. It was very busy," she says with broad Irish understatement!

The IM team were due to meet both the CMI head-office team and personnel from the dealership. Both teams occupy the extensive and modern two-story building with the dealership on the ground floor. Some 25 people were, she says, in a heightened state of anxiety. And it would get worse before it got better...

"The plan was that the IM team would arrive around noon and we'd arranged a lunch for everyone. But 11am came, and they hadn't arrived. An hour later there was still no sign. So, in their absence, we had lunch. We actually enjoyed it, although there was definitely increasing tension in the building that day.

"Pedro, who had been brought in to manage the change of ownership, was running around the office, assuring everybody that it was all okay and the IM people were still with the lawyers ironing out some minor detail. A couple of i's to be dotted and t's to be crossed... I was probably a bit calmer than the rest of the CMI team because I knew a bit more about what was planned. I knew that IM had gone through a very competitive process to win the business and I knew from what Pedro had told me that we were getting a very strong owner, as opposed to partner; an owner ambitious to release the potential that the brands have in the market.

"It got to almost 5pm before the IM team arrived. We were all assembled in our training room and the guys came in and said 'Hello, we're the guys that are buying this company!'

"That was everybody's first introduction to IM Group. The IM team could have talked about the strategy of the company. But no, it was actually 'Who are you?' and 'Who are we?' And that's where it all started. By taking a very strong team in Citroën Motors Ireland – who work hard, have great integrity, grace and belief in what they do – and putting it with the IM Group, with its By taking a very strong team in Citroën Motors Ireland... and putting it with the IM Group, with its systems and processes and best practice, I believe we have a very strong future.

systems and processes and best practice, I believe we have a very strong future.

"We're not going to have the biggest marketing budget. But IM has an impressive track record of competing in a big market with small brands by investing in industry-leading programmes such as Contact Tracker and the linked CRM programme. And when Andrew, Chris and Paul started talking about the fact that while they didn't know Citroën, they did know the automotive business and they did have 30 years' experience of working in Ireland, everyone's eyebrows rose."

There was, she says, a level of reassurance. "People who, just a few hours before, had been concerned about the future of the company, started to understand the IM approach, which is very much building on what we have already achieved in the market. A lot of uncertainty was still evident. But on that day we definitely got the impression that these guys from IM have a plan to improve the business. And they had the CMI staff at the centre of that plan. We were told that as part of their intentions, IM wanted to keep everything in Ireland and would increase the resources in terms of staff in the head office."

Louise says that between that initial meeting in July, and October 1st when IM Group officially took control and the Irish operation became Citroën & DS Ireland, a significant level of trust has built up between IM Group and the CMI team. "It has reached the point where we can stand up in front of anyone who asks who IM Group is, and tell them! IM Group is a family business, and the IM way for the automotive business is that it is all about the dealers." By the time October 1st arrived, and IM officially started to run Citroën & DS Ireland, Louise says she definitely felt 'more IM than PSA.' And she was looking forward to the positive changes that IM was planning to bring! She was also enjoying her new home, in Walkinstown, south-west Dublin, which she shares with Grainne, her partner of 10 years. Having started renovating it in June, they were able to move in during September. And while her 15-mile daily commute now takes 30 minutes each way, her Cactus is ideally suited to the mainly motorway journey where it attracts much attention. "It's a real eye-catcher," she says.

Busy-ness development

In his first full year as director of business development, Martin Dalton's feet have barely touched the ground – with dramatic and ground-breaking results for IM Group. The most significant is the acquisition from PSA, the giant French auto maker, of Citroën Motors Ireland. While the trend within the industry is almost exclusively for manufacturers to be taking back national importers and distributors from private companies, IM Group notched up a first on 1st October with its purchase of the Citroën distributorship in Ireland.

For Martin, his team and IM executives, it was the culmination of some long, tough and determined negotiations. For Martin personally, it was proof that maintaining relationships – even when a business deal comes to an end – is vital. "Many years ago we used to represent Peugeot-Citroën Motor in China, selling diesel engines to Chinese car manufacturers," he explains. "We sold tens of thousands of engines for PSA."

But as emphasis shifted towards petrol, that business came to a halt. However, Martin's relationships with PSA personnel continued. Over the years, many of his contacts moved into very senior positions within the French company. "It was relatively easy for me to restart our relationship and talk to the right people," he says. "But the Citroën Ireland business certainly wasn't given to us on a plate because of past relationships... We had to fight long and hard! Those negotiations soaked up much of my time in 2015."

And between talks with PSA, there were trips to IM Group's operations in China, including one for a change of offices. "By the end of last year we had outgrown the central-Beijing office we'd owned and used since 1999," says Martin. "So we moved into a brand new office complex in the south-eastern suburbs close to new Beijing airport, which is under construction. We have let the old office but have rented our new two-storey premises. Mind you, the Group has invested heavily in the building by fitting it out to our own specification.

When you lease an office in China you tend to get just a bare shell, so our new headquarters in China is now very recognisable as an IM facility.

"On one side of the ground-floor reception area is a conference room, while on the other side is the Beijing Autoglym Training Academy. IM

BUSINESS DEVELOPMENT

became the exclusive distributor of Autoglym products for Beijing, Tianjin and Hebei Province in February. The first products arrived in June and we held the launch later that month. Currently we're in the process of setting up sub-distributors. The area we currently serve is about the size of the UK and has a population of 60 million. And we have been promised further territory in the future. The Academy is used to train our sub-distributors and car-valeters."

Autoglym has two Royal Warrants which, says Martin, is a really big deal for Chinese motorists. They also love the fact that the company's carcleaning and polishing products are 100-per-cent made in the UK with products exported to the IM/Autoglym warehouse in Beijing.

On the first floor of the new office there's space for 50 people with the area divided in two with 50% occupied by the VCA and the rest shared between IM China business development staff and IM/Autoglym. Available for all users is a pleasant break-out area.

Since his appointment 18 months ago, Martin says his focus has been on gaining progressive and forward-looking franchises for the Group. "It's been at the forefront of my mind. The automotive industry is changing, with heavy taxation on high-emission vehicles and customer awareness of the environment. So finding the right franchises with the right vehicles has been the main thrust of my thinking, which has been developed in conjunction with Andrew Edmiston as we consider the future."

One such franchise is the Malaysian company, Proton, with whom talks were re-opened during the year. "We'd held discussions with Proton back in 2008," says Martin. "With my former boss, David Wall, who retired in 2013, I'd done a lot of work with Proton. Although the discussions came to nothing, we told them that our door would always be open. Then, early this year, we got a call from Proton saying they thought the time was right to have more discussions. As a result, Paul Tunnicliffe and I went to visit them, had a look at some of the products they are currently producing and those they are planning."

Following the visit and more negotiations, IM is looking to move Proton UK's parts business into its parts warehouse complex at Ryder Street during the first quarter of 2016. IM Group will become the official distributor of Proton parts for the many thousands of cars that are already in the market. "We'll also look after the technical service of those cars and be feeding input to Proton for the cars they are developing for launch in a couple of years' time. The Proton UK network will join the IM family. Interestingly, some are already part of our family as Subaru or Isuzu dealers.

"We see Proton filling the gap left by Daihatsu," explains Martin. "Their cars are wellmade and practical and will give us, potentially, A, B and C segment models with particular appeal to those same customers that made Daihatsu work so well for us."

Looking to future business developments, Martin and his team – increased since he took over by 12 to become 55-strong – will be seeking opportunities with manufacturers who can produce high-quality cars with very low emissions that fit the EU taxation system and the expectation of customers. "We have a number of hybrid cars on test at the moment in the UK and we're working very closely with BYD, the world's largest manufacturer of lithium-ion batteries," he adds. "We're also discussing with another manufacturer a range of light commercial vehicles, both conventional electric and hybrid."

Meanwhile, Great Wall – the Chinese brand with whom Martin forged strong links some years ago – is still growing in its homeland. "They are coming up with lots of new models," he reveals. "However, like most manufacturers in China, they will have to work hard to produce models that meet tough EU emissions legislation."



"SO FINDING THE RIGHT FRANCHISES WITH THE RIGHT VEHICLES HAS BEEN THE MAIN THRUST OF MY THINKING..."



OF THE YEAR

At the start of 2015 we knew that it could be a good year. We began to see just how good come the second quarter. Our property team get a reasonable view ahead, since there is a longer gestation period in doing a property deal than, say, selling a car. Early on we knew that if a few things fell into place we would be set for a strong year. The market looked buoyant and stayed buoyant, right up until the last quarter, where we noticed a slight cooling. However, the business that we thought would get done, was done!

The car market looked fairly strong in both the UK and Scandinavia and, in the early part of the year, the currencies that we buy our stock in began to get stronger. It takes about six months for the prevailing currency rates to influence profitability on sales. So the profit on first half sales is determined by prior-year currency purchases and the value of second-half sales is determined by currency purchases at the start of the year. This means that by mid-year we know what currency rates we must use for the whole year's sales.

It is a great feeling when you know that the plans you are working on will bear fruit when they succeed. This is not always the case; sometimes we can work hard to sell land, property, cars, spare parts and finance and still not make a return. This was essentially the story during the financial crisis. Now though, we are most certainly in a period where our efforts are being rewarded with good financial performance as well as good sales performance.

In a way, this is what gives context to what has been an underlying story in our group for a short while now. Everyone knows that almost all businesses have cycles – they are not brilliantly profitable 100 per cent of the time. Even the great ones are like this. So the simple solution is to have a portfolio of business interests with the theory being that, especially if carefully selected, weak performance in one business is more than counteracted by strong performance in others.

As long as each business can have more successful years than difficult ones it is less likely that those difficult years all come along together. Additional businesses can provide a kind of 'smoothing' effect to the way we trade. Building land-banks across all markets is an important activity for us.

A good example of this has been our decision to pioneer a new residential property business -Spitfire Bespoke Homes. As has been reported before in the IM Review, Spitfire has been experiencing rapid growth. This year has seen that pace continue, though not without encountering some 'growing pains' as the company has added many more staff and must develop a way of working or a 'method' for this newly-enlarged team, while still keeping the pace of growth going. This can be a difficult task but so long as management understands, and is willing to keep the pace of change of the way we do things as fast as the pace of our growth, then this can become a positive thing and not a damaging one. There have been other issues too. The speed of gaining planning consents has been difficult to estimate and does have an impact on the punctuality with which we can complete projects. Nevertheless, the difficult bit is to maintain growth and build a business, from scratch, into something that can sit on equal terms as part of the IM Group portfolio. In that regard, 2015 has been another stellar year for Spitfire.

Within IM properties, not only are we expanding the number of markets that we trade in (thus helping with this 'Portfolio effect' that I mention) but we are tackling the same issue from another direction too. Building land-banks across all markets is an important activity for us. It means that we can plan further ahead and usually have more options than our competitors in terms of what our strategy will be for a particular year. This in turn means that even in the property sector, where business typically takes a longer time, we can remain flexible and responsive to what is happening in the market and economic environment. This, in turn, helps us to achieve a position where reliability of earnings is improved and, at least in theory, we should be more resilient to a downturn.

There is a strong sense that the team is well into its stride and we can feel the improvements, not just from the P&L account but also from the way we are talked about in the press, the way we are considered for more and more significant deals that come to the market and that feeling of confidence, not over-confidence, that prevails on a day-to-day basis in our office and in our meetings.

You can read some of the thoughts of the management team in this review, especially John Hammond's comments about having a young and energetic team, with good track record, who are determined to do well and are able to talk openly about what is going well and what is not. One of the keys to a great team is this last part. Behind closed doors, every member needs to be able to make their feelings clear, regardless of position or 'rank', and for the team to find a way of being constructively honest with each other while still observing that ultimately one has the right to lead but that that will be done respectfully and with consensus. Getting these 'soft' values right usually happens immediately prior to great performance. You can judge for yourself what I think about the importance of this!



Gary Hutton plays a key role in leading Tim and the IMP team. Although they clearly are the driving force behind the day-to-day operations, Gary's input has been critical; he has released them to use their energy and experience to drive the business forward, yet I notice that there is great respect from them for Gary's input. His many years' experience from the profession, especially with regard to planning and tax, adds tremendous weight to our activities. This is an illustrative example of how IM Group is developing into a much larger and 'wider' business. REVIEW

OF

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From the Group board there is far more delegated authority these days; something needed when the scope of what we are doing is so much bigger. This works best when there is a 'relationship' based management structure. Yes. of course we do have structure and hierarchy. But we tend to practice consensus management and try to make sure that our management teams, across all our businesses, have the ability to influence the direction in which we travel. When there is respect and room given either side, and above and below, that can make for a very flexible, agile, healthy, fulfilling and successful combination. Trust and respect is vitally important and I believe these last few years, and again in 2015, have seen our management team for IM Properties, International Motors and TFC grow in this regard.

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At the start of the year we had become aware that Citroën, a part of the PSA group of France, were looking for a number of distributors to purchase some of their wholly owned distribution businesses in some of the smaller markets across Europe. We pitched for the Norwegian, Irish and Swedish businesses.

Our pitch for Norway was unlikely to succeed since we knew of a very strong competitor in that market and we are not currently present there. Nevertheless, the process of going through all that was necessary to prepare that pitch stood us in good stead for the next two.

Around mid-year we began the process of pitching for the Irish business in earnest. This was much closer to home for us since we have been in Ireland for over 30 years now and more recently our Subaru business had been disadvantaged by the stringent CO_2 taxation system that was introduced a few years ago. Citroën, with its low CO_2 product seemed like a very good addition to our portfolio and would be helpful in bringing scale to our activities there.

We were keen to be successful in our Irish bid. Thanks to the efforts of Paul Tunnicliffe, Martin Dalton and many others, in particular Neville Matthews and Sean Dunne, we were indeed successful! The story is covered elsewhere in these pages but I do want to say that I am delighted we have won this business. I know there will be many difficulties ahead because Citroën is going through a kind of 'metamorphosis' at present. It is moving away from the mainstream trading style the dealers have become accustomed to, into a world where Citroën product will major on the slightly idiosyncratic design qualities they were known for in years gone by. It is also splitting the DS brand into a 'Paris-fashion-style' luxury car brand. It might be hard to see that when examining existing product, but very shortly a number of new 'DS' vehicles will be launched that look to offer the market something new and refreshingly different to those standard luxury products from across the border in Germany...

It will no doubt be a challenge. In fact already we are getting to grips with the scale of the task. We believe we are the ideal partner and that we have the right experience and ideas to deliver exactly what PSA are looking for.

In the event, our Swedish pitch was influenced by the experience we had gained from Ireland and I believe we gave a very credible and accurate valuation for the Swedish business. Perhaps unfortunately we were not successful in our attempt for Citroën Sweden because we were outbid by a competitor. Nevertheless, we were comfortable with what we offered and would not have wanted to go further. As we were about to find out, something else that was particularly interesting was just around the corner...

I must say that we have dealt with many manufacturers over the years and our negotiations with PSA were held in an extremely amicable way. We feel we have made new friends there and as a side note were extremely shocked to hear of the atrocities in Paris that happened late in the year. No one we knew was affected but when dealing with foreign companies you always come to have an appreciation and a respect for their way of life, different to our own but always fascinating and engaging. Before and after many of our presentations to PSA we sat at street-side cafes similar to those involved on that November Friday, enjoying the unique Parisian atmosphere, ingesting the culture that sits behind each and every car they produce. The football match held at Wembley between England and France that next week certainly reflected our feelings of solidarity, not only as a nation, but also now as colleagues too.

For some while we have been approaching Isuzu Sweden, keen to purchase their business. Our theory was that we know Isuzu and very much enjoy our relationship with them, we understand the product, the customers and how to grow volume. We know that we also have an excellent team in Sweden and that the Swedish market is quite a strong one where pickup trucks are concerned. We also knew that, for whatever reason, sales were below what they could be.

Following repeated rebuttals, in the second half of 2015 Isuzu approached us and said that they had spoken to Isuzu Sweden and would like to introduce us to them as a purchaser of their business! Such transactions can be very sensitive.

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...in every business unit we are still growing, reinventing, reimagining, reinvesting and 're-expecting'.

It is never our intention to interfere in other people's business but given Isuzu was making this request we already knew that we would be very happy to conclude a deal. On principle we wanted to treat the selling party fairly and I believe we both arrived at a deal that was more than equitable. The transfer of the business took place on December 1st and both the previous owner and we worked hard to make sure that the transfer was handled as professionally as possible, minimising both customer and dealer disruption.

Despite acquiring two new franchises in almost as many months, we weren't finished! In November I travelled to Malaysia to sign a memorandum of understanding that will lead to a fully-fledged importer agreement by the turn of the year with Proton cars. This agreement will eventually cover all of our markets plus a few others and could turn into a very important piece of business for us.

Proton have been present in the UK market for many years, indeed in my early years working for IM, Geoff Gillespie used to regale stories of how Proton would give him a 'headache' as the MD of Hyundai when they arrived after us and made a big dent in our market!

Product that is competitive in terms of CO_2 is not yet being produced by Proton but they already have improved engines in development, ready for a launch around 2017 or 2018. Our plan is to get Proton to build products that fill the void left by Daihatsu. We believe that there is a readymade market and a ready-made dealer network. And guess what? We know exactly where they both are!

Proton will add something to our portfolio that has not been there since the demise of Daihatsu. Yes, it's that 'p' word again!

There is added pressure in times of growth because at the same time as successfully managing what you already have, which of course takes priority, you have to make plans and arrangements to prepare for new business – often taking decisions that will affect their performance in years to come. The payoff for doing this well is that we are preparing the ground for increasing performance and success, and increasingly 'smoothed' results as I mentioned earlier.

This is an important phase in the life of IM Group; in every business unit we are still growing, reinventing, reimagining, reinvesting and 're-expecting'. And I have not even mentioned TFC, where we are working away at a completely new business model and looking to develop that into the mainstay of our business over the next months and years, or that during the year we launched our first ever 'export' business as we began sales of Autoglym into northern China plus we further developed some of our existing activities such as our site in Dordon so that it is not only well into phase two, but phase three, with our eyes on a possible fourth phase too!

We travelled through 2015 at such speed that it hardly seems plausible that it has ended. It has been an amazing year though. Honestly, I need to pinch myself a bit. No company is invincible, I know that. But those who know me well know that I have a belief in God and I have to say what I feel – He is helping us along. It takes hard work, endeavour, skill, experience, fight, friendship, laughter, strategy, finance, history, legacy, culture - all of those things to do well. But some companies have that and do not get anywhere near to what we are achieving. It may not always be this good. In fact I am certain that years will again come where we work even harder and achieve a little less. But I am grateful to everyone who has had any part in this, our second record year in a row. I hope all of our staff, manufacturers, bankers, dealers, suppliers and associates can take some pride in what together we have all achieved so far. But never, never let success turn into satisfaction.

In 2016, we are planning to move forward again. Will you come with us?

FAMILY . business

KEITH READ GOES BEHIND THE SCENES

AND MEETS THE UNDERSTATED, BUT

MUCH-VALUED GARY HUTTON.

In a year that has seen unprecedented growth and success, underpinned in part by the quiet efficiency and adventurous aspirations of some of IM Group's younger executives, one long-standing servant of the company – and a full-time director since 2009 – has supported the 'young bloods' and mentored their moves. Gary Hutton, director of administration, chairman of The Funding Corporation Limited and CEO of IM Properties, works side-by-side with group managing director, Andrew Edmiston. But he eschews the limelight to the point where an interview can begin to look like a one-way conversation – the wrong way!

"While I oversee everything, I have key people working for me and I think it's important for those people to get the credit. I don't need it," he says, his soft London accent failing to conceal the intended authority it carries. "Although I'm heavily involved, I remain in the background, making sure that the whole business fits together and works and that we've got the right management teams in place. "I spend time talking to the teams, making sure we've got the right strategies. But, in terms of running the day to day business, I only get involved in overseeing the big deals and making sure that they're right for the group. I try not to make the decisions because if I do, the managers will feel undermined."

One side of the business that he does run is that of finance. When he first came into contact with IM in 1985, Gary was with chartered accountants, BDO Stoy Hayward, the company's auditors. His talents were recognised by Bob Edmiston who asked him to join IM. "I promised him that I would when I was 50," says Gary. "However, I lost my first wife and with three children, my plans inevitably changed..."

Gary met someone new and went on to marry. He forgot about his promise to Bob. "However, Bob didn't. He rang me, said that I was approaching 50, and reminded me I'd promised to work for him," explains Gary. "So, having just got married, I had to talk to my new wife and tell her that we were moving from south-east London to Warwickshire!"

Any regrets?

"None at all," he says emphatically. "I had to take quite a big cut in salary when I moved. But it wasn't long before the Chairman realised that and he made things right..."

Gary arrived at IM a year after the banking crisis and financial crash. "One of my first tasks was to look at the resources we had within the staff and bring on some of the 'young bloods' to carry the business forward." And it was during the recession that these young bloods were able to take the Group – particularly IM Properties – in different directions and negotiate some deals that would, even before the recession eased, prove to be highly beneficial.

Another of Gary's early moves was to introduce cash-flow forecasts, something that IM had not previously done. The result was that IM Properties found itself with a sizeable war-chest with which it was able to invest in lucrative deals.



GARY HUTTON DIRECTOR OF ADMINISTRATION IM GROUP

CHAIRMAN THE FUNDING CORPORATION

CEO IM PROPERTIES

"WE ARE AT THAT STAGE WHERE WE'RE LOOKING TO GROW THE BUSINESS SIGNIFICANTLY AND CREATE MANY OPPORTUNITIES."

"Prices were low and there were opportunities because no-one was funding.

"We spent a lot of time looking at how the property business should run. It's all about understanding what is going on in the Industry, being one step ahead and making sure that we have real quality people. Coming to work is such a big part of your life, you need to love what you're doing and have a real passion for it. The majority of our staff don't come to work just to earn money. You can see it when you talk to them, they love what they are doing, they thrive on it, and they are having fun. They even take it home with them at night, working away on their iPhones, dealing with things! These are the people we need in this business and it's the sort of people we're getting. They love achieving things and they're rewarded for it. They feel like they're part of a team that is going somewhere...

"If you look at our property business, it is a brand that is winning awards. This demonstrates our credentials and people want to come and work for us. We operate with great ethical standards and people feel like they're part of the business and the family – and that we care about them. Our philosophy is that we want our people to work hard, enjoy what they are doing and not have problems, either at home or elsewhere. We're not trying to overwork people. But we want them to feel like they are achieving and being adequately rewarded."

Certainly the 'being part of the family' has worked for Gary. Andrew Edmiston says Gary

actually feels like a brother and that Group Chairman, Lord Edmiston – his dad – tends to look upon Gary as an adopted son! And in so many ways, he is. Gary admits that he is invited to all the Edmiston family events and is very much made to feel part of the family.

But he is quick to point out that Bob Edmiston, and Andrew, have come to know everyone in their team as family, and that they trust them. "That helps enormously," he adds. "It means that when someone knocks on their door and says 'I think we should be doing this,' they listen. They listen because they believe that the person talking to them should know what he or she is doing. They've seen that person has achieved success in the past and that they should be relying on him or her."

The past year has, says Gary, been an incredibly busy year in a vast number of areas. "We are at that stage where we're looking to grow the business significantly and create many opportunities. From that point of view it's a very exciting time. Our reputation is growing every day, and that's down to the sort of people we have in the business. It's not about Andrew and it's not about me. It's about the people we have in our business. Yes, that might sound a bit corny – but it's absolutely true. They are making the company successful. I'm just here to facilitate that."

BUILDING ON STRONG FOUNDATIONS

Chris Poole meets with a few of the key people behind IM Properties' most successful year.

IM PROPERTIES



TIM WOOLDRIDGE MANAGING DIRECTOR

IN WHAT PROMISES TO BE A RECORD YEAR, IM PROPERTIES REVEALED ITS INVESTMENT STOCK PORTFOLIO WAS IN EXCESS OF £500-MILLION, IT HAS A DEVELOPMENT LAND-BANK OF AROUND 1,500 ACRES, IT OWNS SHOPPING CENTRES, RETAIL PARKS, OFFICES, OFFICE PARKS, MULTI-LET INDUSTRIAL ESTATES AND LARGE SINGLE-LET DISTRIBUTION UNITS.

In addition, it built up its Spitfire residential development business to become not only the Midlands' biggest multi-sector property group but probably the largest in the country.

"We are doing very well," says managing director, Tim Wooldridge with measured understatement. "The market has been positive for the past two to three years and we took a decision during the last downturn to grow the development side of the business. Traditionally we'd been seen as a property investor and the investment arm of the business is more important than ever now. For if you are exposing your business to development then there is a greater emphasis than ever on cash flow and rental income. So we've been strengthening our investment division, selling secondary property, investing in prime property - sometimes at the cost of yield – but that's been compensated for by our greater involvement in commercial and, latterly, residential development.

"Some of the larger groups that would have once been ahead of us have redefined their portfolios. Other large organisations and institutions are just investors – not developers. So I think we are now able to say that we are unique in the UK."

So what's behind IM Properties' continuing success and growth?

Tim says it's all about communicating with the market, having good relationships and trust, and being in a position where IM knows people well enough for them to talk openly to the company. "I believe you can get the best market insight through good, strong business relationships.

"However, we must not forget the young and energetic team at IM Properties. I take a lot from the opportunities that I was given, as a very young person, at IM. It taught me a lot, and there was always succession through the business. For whatever reasons people left, I was given the opportunity to step up. I'm very grateful for that and I now see people, who came in just to do a particular role, growing whole divisions of the business. Kevin Ashfield is a good example. On the retirement of his predecessor he had a department of two – one of which was him! Now he's the senior development director with a department of 12 that will be 15 by the end of the year.



IM PROPERTIES





"TRYING TO READ THE MARKET IS AN IMPORTANT PART OF THE MANAGEMENT TEAM'S ROLE AT IM. ANTICIPATING WHAT'S GOING ON..."

"A further example is John Hammond's investment department. When he joined us there was just John and an asset manager. Today there are six in the department with a need for more. He is growing the investment division – and he has to.... If you want to squeeze the pips out of your assets, and get the best performance, you've got to be all over them. You cannot leave any stone unturned. Your attention to detail has got to be forensic, and you can't do that with a skeleton staff.

"Not only does growth of personnel bring greater exposure, reach and breadth for the business, and therefore more opportunities, once we have secured those opportunities [having the personnel means] we are able to get a lot more out of them."

But throughout his career, Tim has learned not to become complacent. And while 2015 is looking like being another record year, he says in the latter months it has become more challenging. "Trying to read the market is an important part of the management team's role at IM. Anticipating what's going on... Should we be buying more now or should we be looking to sell... When is the market going to peak... When is there going to be nervousness in the market... Is there an aversion to risk...

"My view is that people are more averse to risk now than they were at the beginning of the year when they had a lot more confidence. There are things happening on a global basis – the Middle East, China's industrial slow-down, large industrial problems such as Volkswagen's issue over cheating emissions. There's lots of bad news around.

And while the UK economy seems to be doing well, it will eventually be dictated to by a slowing global economy.

"As we come to the final part of 2015, and having made a lot of our money and banked a lot, we are almost keeping a bit of a watching brief. Let's just see what goes on. Let's ride out the year and see what transpires. If we get the opportunity to take profit now on sales (which may not be there next year) then we'll take that opportunity. Are we going to be acquisitive in the coming weeks and months? Probably not. Let's just see what happens."



KEVIN ASHFIELD UK DEVELOPMENT DIRECTOR

STRATEGIC LAND FOR RESIDENTIAL DEVELOPMENT, A RELATIVELY NEW STRING TO THE IM PROPERTIES BOW, HAS SHOWN SIGNIFICANT GROWTH AND RETURNED HANDSOME RESULTS DURING 2015. AND FOR UK DEVELOPMENT DIRECTOR, KEVIN ASHFIELD, IT IS AN AREA THAT HOLDS GREAT PROMISE.

"We saw a bit of a gap in the market for residential development and have so far secured five sites that together have the potential to accommodate up to 7,000 homes," he reveals.

"This is not land on which our Spitfire residential development arm will build, but large sites where we look to secure planning consent and put in some infrastructure before selling it on to traditional house-builders. It's a major new area into which we have moved and it's another reason why we are having to grow the team to look after each new project."

One strategic-land project about to come to fruition in 2015 is the former Ministry of Defence site at Ensleigh, near Bath. The 22-acre site was once home to the Defence Logistics Organisation, which has been relocated to modern new facilities. "It was an example of land that we could use our cash to buy when it hadn't actually got planning consent," explains Kevin. "We used our technical expertise to take a view that it would get planning, which it did, and we're now at the point where we are about to sell it on to a PLC house-builder. The first phase of development is likely to provide 250 homes with more on a second phase."

At Gaydon in Warwickshire, IM has 100 acres of land between the JLR site and the M40 motorway on which it is planned to create a new settlement. Stratford District Council urgently needs to see more homes built and a planning application for 1,000 units was due to be submitted before the end of 2015.

On a site at Litchfield IM is waiting for the decision on a planning appeal for construction of 750 homes. "It is exciting times," says Kevin. "The business has gone from strength to strength and the key to it is the team. We have got some very good people and there's a really good atmosphere between everybody. The business is at its most dynamic that I've ever seen it.

"By the end of 2015 there will be 15 people working in the development team across nearly 20 different projects. And there are another 10 to 15 projects that are currently prospects we are considering. Looking at our construction projects, we're currently close to £200 million, including some that are very big and complex."

When it comes to strategic commercial land, the jewel in IM's property crown is the award-winning Birch Coppice development near Tamworth. The former colliery site was acquired by IM in 1997. Since then IM has invested more than £50 million in infrastructure and master-minded two successful development phases. Phase 3, involving a further £20-million infrastructure investment, has just started and will be followed by construction of speculative units. "We were the first in the country since the down-turn to announce speculative development," says Kevin. "There are not enough being built and, seeing the gap in the market, we have achieved the first-move advantage. We've seen rents grow from £5 per sq ft to more than £6 per sq ft. One deal achieved £6.15 which, at the time, was a record rent for the Midlands where there hadn't been anything above £6 in the past 20 to 30 years.

"WE WERE THE FIRST IN THE COUNTRY SINCE THE DOWN-TURN TO ANNOUNCE SPECULATIVE DEVELOPMENT."

IM PROPERTIES





"IT'S GREAT CREDIT TO THE TEAM THAT THEY ARE ABLE TO UNDERTAKE SUCH AN INTRICATE AND COMPLICATED DEVELOPMENT."

"We're keeping to core prime areas. We are not necessarily chasing value by going into secondary locations. During the year we announced our Five Live Programme in which we are speculatively building three units at Birch Coppice and two at The Hub in Birmingham. Those five represent 500,000 sq ft of space and a £50-million investment. Nationally we are one of only two companies building stand-alone smallto medium-sized units.

When Phase 3 of Birch Coppice is completed, the site will be home to more than 6,000 jobs compared to a peak of 1,500 during its days as a colliery. "It's brought fantastic regeneration and growth for the area," adds Kevin.

Another significant project at The Hub is relocation of the Birmingham Wholesale Market. "It will look like a 200,000 sq ft warehouse," explains Kevin. "But in it we will have individual stores. They won't be open to the general public, just to the trade. We have built up a good relationship with Birmingham City Council and will be selling it to them and building it out for them. For the council relocation means they can regenerate the area where the wholesale market sits at the moment."

At the £30-million redevelopment of the former banking offices at 55 Colmore Row in Birmingham, IM's project management team is on site. "They are having to deal with the most complex project that this company has ever undertaken," says Kevin. "It's great credit to the team that they are able to undertake such an intricate and complicated development." The building has been stripped out and the façade and former banking hall retained. Completion is scheduled for the autumn of 2016. A significant name within the Birmingham professional sector has expressed an interest in taking two of the floors.

The first of three current projects at Mell Square, the Solihull shopping mall acquired by IM two years ago, is about to start. Forming an impressive entrance to Mell Square it will see the creation of a new Carluccios Italian restaurant where there had previously been a couple of shops. Above the restaurant will be offices. Completion is scheduled for autumn 2016. Last year's acquisition of the Blythe Valley office park has kept another team busy working on a masterplan for the first two phases of development. "Blythe Valley is complex because we have residential within Phase 2 alongside commercial offices in Phase 1," explains Kevin. "How those two interrelate in terms of creating a place where people would want to live, without detriment to the commercial aspects and viceversa, has taken some time to pull together. Everyone has been working very hard and we're now in the process of putting together a planning application, which should be submitted during the first quarter of 2016."





JOHN HAMMOND UK INVESTMENT DIRECTOR

WHEN JOHN HAMMOND ARRIVED AT IM PROPERTIES IN 2010 AS A 33-YEAR-OLD INVESTMENT MANAGER IT WAS THE HEIGHT OF RECESSION. "IT WAS A STRANGE EXPERIENCE," HE RECALLS.

"At the time it was all about trying to improve the quality of the portfolio against a backdrop of a banking crisis, falling rents and tenants going bust. So we consciously tried to improve our real estate, which we did through a combination of bringing in new product that was being built through development, exiting assets that were no longer right for us and buying into core markets with good-quality income."

It was a strategy that was to pay good dividends. "It put us in a pretty good position for when the market came back," he says. "And when markets do come back they come back fastest in the better areas. If you own prime or good-quality buildings, the speed at which the value and rents rebound is so much quicker than in secondary stock."

Being cash-rich, IM was well-placed to take advantage of buying during the downturn. "It was a unique position: the banks were not lending and most of the UK funds were having money taken out of them and the only way they could exist was to sell assets. At the same time, a lot of IM's competitors were severely hit and disappeared. This led to most of the mainstream UK investors being replaced by overseas investors, says John. "It was good that we kept buying in 2010, 2011 and 2012. What we bought would, in good-market times, have been too expensive for us. So we bought well, we repositioned the portfolio and we focused the business much more on distribution and retail. We also shifted our geographic focus to the Midlands and the south of England where we knew that the market would come back guickest." So as the good times return how does John, now IM Properties' UK Investment Director, look back at the time he joined IM – and the changes since then?

"It was a leap for me," he admits. "Yes, I was young. But I didn't feel that I was too young to take on the responsibilities because I had felt that what I was doing was finite, whereas at IM all of us were at a point in our careers where we want to make something happen... We're not at the stage where we could see retirement and were simply waiting for it to arrive."

That, he says, had a dramatic effect on attitude and outlook – something within the company that continues unabated. "We're building a business for the next 20 or 30 years. When you look at Tim Wooldridge's age, and Kevin Ashfield's, you're looking at people who want to make a go of it. Everyone is really hungry for success. In a way that makes it more challenging for IM because you have got a number of young guys, all champing at the bit, wanting to do more and grow more... It's a very different scenario today to what I understand it was 10 or more years ago.

"As a team we're constantly questioning each other, constantly trying to improve the way we do things. Our levels of reporting and our levels of understanding of our portfolio and systems have taken a huge shift on. Even the working environment has changed. I can remember the days at Haseley Manor when we all had a little room with our name on it. We didn't even have a central IT server where everyone could see everything. Everyone had their own information on their laptop! That's just not acceptable – and it has all changed. Today we're all in a modern open-plan office with state-ofthe-art IT systems and communications that serve us incredibly well.

"The challenge for us now is maintaining the

IM PROPERTIES

DO THINGS."

"AS A TEAM WE'RE CONSTANTLY

QUESTIONING EACH OTHER, CONSTANTLY TRYING TO IMPROVE THE WAY WE



'small-company' feel and the rapid decisionmaking we enjoy and benefit from. The more people you get, the more distracted you can become from your core day job. Departments have grown to the point where they have more or less become businesses within a business with people like Kevin and me having to become sub-MDs reporting to Tim."

But he insists it's not all change. "We endeavour to make sure that the things we love about the business carry on even though it's becoming bigger. I'm sure we can do that because, as a business, we are extremely privileged in the way that we are set up. Our reputation and good relationships in the market remain constants, as does our ability to do things quickly. There are no layers and layers of red tape and protocol at IM. Also, our cash position has always been very good. All this means that we can always find deals.

"When we have our crystal-ball days, when we talk about where we're going, examine what our competitors might be doing and look for companies against whom we can bench-mark ourselves, we keep coming back to the fact that there's no-one really like IM Properties, especially in the regions where a lot of property companies died in 2008/2009. I have to compliment those at IM in the years before I joined in 2010. Thanks to them, IM Properties still exists because they were sensible during the good times and the bad times."

IM has always taken a balanced perspective, says John. Buying into emerging sectors that IM considers mispriced is a strategy that has paid off. "In 2014 we bought offices, Blythe Valley and 55 Colmore Row, for example. Blythe Valley at its peak was valued at about £180 million, at its worst it was £80 million. We bought at about £120 million.

"We always keep an eye on the what-if scenarios. If a market were to correct very fast, what's our exposure? How much exposure do we have to speculative development? How much exposure do we have to the banks? Where do we sit and what's our tenant line-up – do we have too much exposure to one tenant or to one sector?

At the moment our portfolio is pretty much like a three-legged stool, with a third in retail, a third in industrial and a third in offices. And that sits well for us because they ebb and flow. At the moment it's all about industrial. The market loves industrial and that's driving forward. Retail is relatively okay and the offices market is catching up. If you've got a spread you can always find opportunities and always do deals."

SPITFIRE CONTINUES TO



Growth at Spitfire Properties LLP, IM's premium-market residential development wing, has been spectacular throughout 2015 and the last half of 2014, says managing director David Jervis. "In terms of staff, projects, turnover and our plans for the future, growth has been substantial. Eighteen months ago we were 20 people and building on five sites. Today we're more than 55 people and by the end of the year we will be on a total of 13 sites. Very early on in the New Year work will start on another five sites."

The consequence of such expansion has been an intense recruitment drive to provide dedicated staff for each site as well as increases in the Spitfire support teams. "At IM House we have added more resources in the land and planning teams, design and technical department, the commercial department, production department and, of course, sales and marketing," explains David, who confidently expects turnover this year to be in excess of £27 million. We have also opened an office in Berkshire with the view of expanding the business further south.

Growth has been fuelled by a combination of strong demand for the 'aspirational' homes at the upper end of the market in which Spitfire has built its brand and reputation for unique designs, in exciting locations, coupled with ultra-high quality. "When we started the business we were concentrating on the mid- to top-end of the market as we worked to create a brand positioned at the aspirational end of the market," he says. "And with some of the schemes we have been building we have not only achieved that but also achieved sale values way in excess of our competitors. In Knowle and Dorridge, where you would expect the average sale price to be £325 to £350 per sq ft, we've achieved £375 to £464 per sq ft. How have we done that? Essentially by delivering a product that is very individual. For example, we've built a thatched cottage at our Hall Farm Estate project in Knowle. [see page 48].

"However, to grow the business to the level we want – around £150-million annual turnover – we cannot rely on individual bespoke schemes alone. We just couldn't do it. So we are now looking at the mid-range market and doing some larger schemes – but still in great locations with great quality homes. And having established a quality, aspirational brand, we have been able to compete in the midrange market and deliver a product that is again superior to the competition."

The largest of these schemes, where work will hopefully start early in the New Year, subject to a successful outcome on a legal challenge on the recent planning permission, is for 125 units at Broadway in the picturesque Cotswolds. On what David describes as 'a superb site of 14 acres' in an area of outstanding natural beauty, Spitfire will build a diverse range and style of homes. At the lower end of the market will be two-bedroomed Cotswold-stone cottages selling for about £275,000, while at the other end more than £1 million is expected for a six-bedroomed, Queen Anne-style Cotswold-stone manor house. On a similar, but much smaller, scheme in the desirable river-side town of Henley-on-Thames, Spitfire is building homes on three plots that will go on sale in spring 2016. "We'll be looking at prices around £2.75 million or above," says David.

Despite all the success in 2015, the year has not been without its frustrations. "It has been a tricky year," he admits. "There are many pressures obtaining planning permissions and it is still very difficult, even with the current positive direction from central government to build more homes. Unfortunately, this doesn't necessarily filter down to local government. Because of the superior locations of our targeted sites where we want to build, we still get very strong resistance to development. There have been numerous planning applications this year where we have experienced major frustrations and delays."

These issues are not always with the local planning authority officers. For example, at the village of Ettington in Warwickshire, Spitfire originally had plans to build 38 homes and worked closely with the local authority planning department to come up with the right scheme. As a result, the proposed development got a very strong recommendation for approval from the planning officers. However, when the application was put before the planning committee, the initial application was deferred despite lobbying the councillors. On the advice from the officers the scheme was amended to 32 dwellings, only for the

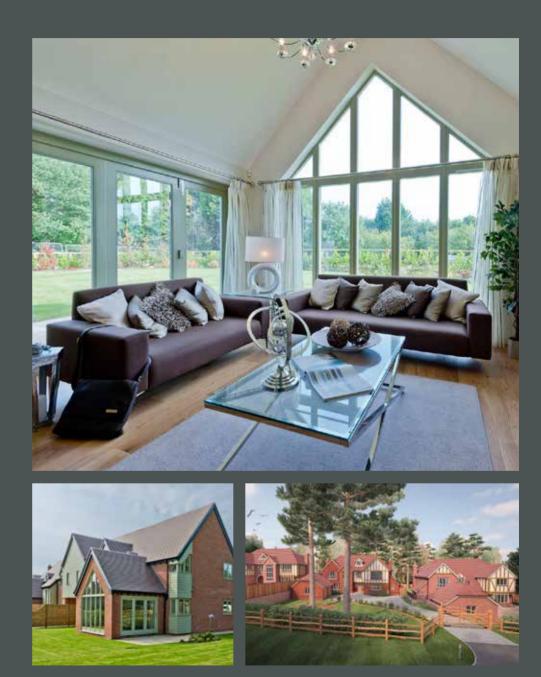
SPITFIRE

"...with some of the schemes we have been building we have ... achieved sale values way in excess of our competitors."

application to be refused at the next committee meeting. Councillors backed local residents who simply didn't want to see any housing development in the village. "So now we have to go to a planning enquiry," says David. "That's very frustrating because it costs us more money and it causes delays in the growth of the business. With the officers' strong approval recommendation, we hope we will win. But there's no guarantee..."

David and his team have suffered other frustrations, not least of which have been tremendous pressures on building costs. "We're seeing these rise rapidly – mainly labour costs, but also inflation on material costs too. The reason for the increase in labour costs is the shortage of skilled labour. The recession took out many skilled tradesmen and professionals from the construction industry. And they simply haven't returned... That, combined with the increase in the amount of construction at the moment, has resulted in a major problem. We face a workforce that not only seeks higher rates to match those of traditional housebuilders, but also uses the complexity of our designs to negotiate higher prices."

However, one pressure that David faces is one that most executives would envy, even though it is a frustration. "We can't build quick enough!" he says. "We have no problems selling the homes. In fact, we don't actually have any stock properties at the moment – not one. And that's very rare for house builders."









ONE OF THE CURRENT SPITFIRE DEVELOPMENTS THAT DEMONSTRATES ALL THE FACETS OF QUALITY, COMPLEXITY, INGENUITY AND SUSTAINABILITY THAT MAKE THE COMPANY'S HOUSES DESIRABLE AND UNIQUE IS HALL FARM ESTATE, AT KNOWLE, CLOSE TO SOLIHULL.

The former abattoir site sits in eight acres firmly within the Green Belt. However, with careful consideration of the environment, the preservation of some existing buildings, the views of planners and local residents and the design of homes that perfectly fitted the location, planning permission was granted.

"It wasn't easy," says David, "It was contentious because the site is in the Green Belt. But we got planning consent to build eight new properties, ranging from a thatched cottage with four bedrooms to contemporary-style barn dwellings and a Georgian farmhouse. We also achieved permission to convert five existing barns."

Because there is no gas main close by, Spitfire has put in a communal biomass boiler that will provide all the hot water and central heating in the homes. Similarly, because there is no mains drainage available, a treatment plant has been installed with its run-off fed to a water course via a newly-created wild flower meadow behind the development.

"An awful lot has been put into the design of not only the homes but the infrastructure to achieve sustainability," explains David. "And we have been well rewarded in that the development – which will be completed by the spring of 2016 – has been well received from the local planning authority and by the public. Building is pressing ahead at the moment and we have sold 10 of the 13 homes with financial completions on seven of the 10 homes sold this year."

Prices for the Hall Farm Estate properties range from $\pounds725,000$ to $\pounds1.35$ million for the Georgian farmhouse.

David is particularly proud of the Hall Farm Estate project. Another scheme that he singles out for its designs that won over the planners is in his hometown of Stratford upon Avon. Known around the world, the historic town of William Shakespeare's birth is particularly sensitive to planning and development. Spitfire was granted planning permission for 32 houses in a 6.1-acre parkland setting in Shottery just a few minutes' walk from Anne Hathaway's Cottage, the home of Shakespeare's wife.

"The site was a former Edwardian Manor house and gardens," explains David. "Planning was, I admit, hard work. However, the quality of the designs won the day and the scheme – being marketed as High Cedars referring to trees within the parkland – has been incredibly well received. Twenty-six plots have already been reserved offplan, with prices ranging from £295,000 for a three-bedroomed cottage to in excess of £900.000 for a five-bedroomed detached house. The result is a tribute to everyone in the team who played their part and contributed to the development, which should be completed mid-summer 2016. It is a project that bears all the guality hallmarks for which we have become known."





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CITROËN

"Presenting the Grand C4 Picasso to family audiences in a light hearted manner, this advertisement highlights the fact that Ireland's top-selling seven-seater is also the double winner of What Car? magazine's MPV of the Year award," explains Louise Murphy, marketing manager of Citroën & DS Ireland. "Our '161' sales campaign of 0% PCP Finance, or a €4,000 scrappage payment, is aligned with the new registration number – 161 – that runs from January to June 2016. The final element is the warranty logo promoting the extended five-year warranty."





Keith Read meets with The Funding Corporation and sees how the business evolved over the past year.

EXCEPT

THERE IS NOTHING



way that some customers buy used cars, and increasingly difficult market conditions, prompted dramatic action at The Funding Corporation (TFC) toward the end of 2014 and beginning of 2015. In what he describes as one of the worst times ever, managing director David Challinor closed the Approved Car Finance (ACF) business making the staff redundant – almost 90 people including some TFC personnel who were involved in ACF.

"It really was one of the worst times," he says. "It's never a nice decision having to make so many redundant, even though it was made for the right reasons." Those reasons were, quite simply, survival of the business and continuation of employment for the 55 remaining people. "I am sure it was very difficult for Lord Edmiston too," adds David.

However, just as the young Bob Edmiston built up the flourishing IM Group from the ashes of Jensen Motors that had collapsed, David and his team will complete 2015 with a new business that has accelerated from a standing start to achieve promising results. With the demise of ACF, TFC began lending to customers sourced from third-party dealers on a trial basis so that it could formulate a winning strategy in a slightly different market, albeit still helping those with damaged credit ratings to buy cars. It was essential to quickly build a new business model because every month that money wasn't being lent, bills were still having to be paid without money coming in – other than the run-off from the business that had been closed. However, in May a decision was made to switch new lending away from TFC into Specialist Motor Finance Limited (SMF), a direct subsidiary company of IM Group Limited.

permanent

Finance director Neil Ogden says the new lending company was created to provide a clean start: "At the end of May we began writing all new business into the new lending company, SMF. This means that the value being created is now remote from any legacy issues, including PPI, that may be associated with TFC. What we're able to do with SMF is start as we mean to go on."

One of the first tasks for the company's head of sales, Jason Francis, who joined in November 2014, was to drop a bombshell on the third-party trial that had been running. He identified that what was planned wasn't deliverable. As a result, steps were immediately taken to get the product absolutely right. "Within this business, sound judgement and logic is rewarded with positive outcomes" he says. "So we looked at the competition and what the market was proposing, and compared it with what we were proposing. We could see the shortcomings of our proposition and quickly made some fundamental changes".

One of the problems had been the fact that while the trial partner was happy to provide additional information ahead of a decision on lending being made, other introducers among used-car dealers and motor brokers were not. As part of the regulatory requirement set by the FCA, and before that the OFT, to consider affordability, TFC had been used to having a conversation with potential borrowers regarding their income and expenditure to ensure that the loan could be afforded. Because other lenders didn't require that information, introducers were not going to change their processes just for TFC. So without that conversation and information, the team had to adjust the decisionmaking process to use data obtained over many years of previous lending to ACF customers.

With the industry regulator hot on ensuring fairness and affordability, David says it was essential to do the absolute maximum to avoid issues – similar to those over PPI – in the future. As a result, TFC did operate – and, from the end of May – SMF now operates with a 90% confidence level that it is not opening itself to undue risk. "The

THE FUNDING CORPORATION





risk is that 10% of customers might have their expenditure underestimated."

From its standing start the business has grown quickly and is consistently lending over £1 million a month. "We are nowhere near where we want to be so there is still a lot of work to do," says David. "We are using the data that we are now seeing from the dealer finance customers' applications to refine the proposition. We are constantly looking at where we get applications from, the accept rate of those applications and the take-up rate of those applications. So for every introducer we are analysing at a very granular level."

Where does SMF expect to be in the coming year? Jason says lending should be between £2½ million and £3 million a month by mid-2016. "Any increase in monthly lending is controlled by how we wish to manage our risk," he says. "We take a very measured approach to the market. Whatever decision we make is built on empirical evidence so that we don't make the same mistakes that other finance companies have made. That might mean we are slower to where we need to be, but it's the right decision."

What will help the business to grow is the introduction of IT-based automation of the decisionmaking process for loans. "There are a number of software solutions available to confirm a person's identity and income" explains David. "We are exploring all products available and adding those that are relevant to our armoury. What we're trying to avoid is being targeted for a fraud or by someone telling us what they think we want to hear rather than the truth."

Neil is quick to point out that the business model is not without risk. "By far the biggest risk we face is regulatory. If the regulator doesn't like what we are doing, they can stop us lending. We can be put out of business overnight.

"Whilst we are confident that we have constructed a compliant methodology in how we conduct business, which was all documented in our recent FCA applications for regulatory approval, what we don't know is what the regulator is going to do next – and what they might turn their focus to in the future... PPI has been a big issue for a number of years now. But that is expected to come to an end in early 2018. We fully expect that affordability will be the next big regulatory focus. We have therefore prepared our model bearing this in mind." Other lenders could be hugely exposed, he adds.

David says it's a matter of interpreting the principles. "The regulator has provided a series of principles and guidance which are open to interpretation. Accordingly, what a lender might see as innovative but within the principles and guidance, the regulator might not see as in the best

MAXIMISING PRODUCTIVITY

The key to success in lending is the speed at which a decision and offer is made. The team at International House, located in a business park on the southern outskirts of Chester, operate seven days a week. During the week, the open-plan office is manned from 8 am until 7pm. On Saturdays the hours are 9 am until 5pm while on Sundays, when staff work from home, business is conducted from 11 am until 5pm.

"We do enjoy a certain amount of flexible working," says David who acknowledges the hard work put in by everyone during the difficult times and in building up the new business.

interests of the customer. So at this stage we've erred on the side of caution rather than try to be too creative.

"Affordability is already high on the FCA's agenda to make sure that the lender does as much as possible to assess what the customer is able to afford when repaying a loan. We've already seen a case with a pay-day lender who has had to repay customers because the FCA has deemed they didn't calculate their customers' affordability. So that is a possible problem that could affect all lenders and we have to be very mindful of that. When we look at our affordability calculation we have interpreted what we believe the FCA is looking for. Although we are able to demonstrate that we have an approach that is robust, with a 90% confidence level, they might want a different approach. However, what we are doing is far more than a lot of our competitors. We are growing our business with a product that we believe is compliant while our competitors are probably not so compliant because we're in it for the long term."

NÍNHĂO!

It has been 21 years since an ambitious and adventurous Bob Edmiston forged a link between his expanding IM Group and China. Since then, IM operations in China have flourished and more than 'come of age.' Keith Read talked to some of those in Beijing who have played key roles in developing IM's Far East outpost.

Shang Degang, director & general manager – Beijing IM Trade Consultancy Co Ltd, to give him his full title, has been with IM for 16 years and is the first to acknowledge that he has a strong and outstanding team in China. "Like me, they all love the job. We build our team very carefully. Most have had many years experience in the industry." However, he makes the point that as an extension of the UK-based IM business development department, experience, knowledge and professionalism is a two-way exchange. This results in a truly international team.

He pays tribute to Bob Edmiston's recognition of the business potential in China at a time when other developing nations almost certainly looked a more attractive proposition. The speed at which China's automotive industry was developing provided Lord Edmiston with a rich field in which to utilise IM's experience, he says. "Providing consultancy services, and introducing the demanding European-market requirements and homologation, helped [China] to produce products that meet those requirements. As a result, China has developed as the biggest production base in the world."

Shang, who recently discovered the joys of becoming a grand-father, concedes that rapidly-

rising labour rates are costing China some of its advantage. "But there are still many chances to utilise the resources we have accumulated to provide high-quality, low-cost products." His vision for IM and China is one of continued growth and expansion. And, he says, electric vehicles are likely to play an important role. "China's government has invested a huge amount of money in setting up a charging network to create a convenient environment for electric vehicles."

He believes it is a window through which the world can watch currently-expensive EVs come down in price, and improve in performance, as China ramps up production. "China is the only country to produce higher-volume electric cars and [our] progress will change and improve the situation for electric cars in Europe."

While many of the Beijing office staff have extensive industry experience, some are very much 'home-grown' having progressed within the company. Almost eight years ago, Tracy Feng joined IM as a receptionist. It was only her second job after leaving school. Previously she worked as a receptionist at the Dulwich College British School in Beijing. "I really like the British culture," she says. "This is why I joined IM." It wasn't long before Tracy's enthusiasm and skills were recognised by IM and she moved to become assistant to the human resources manager. Recently, with acquisition of the Autoglym franchise, she joined the brand's sales team. Tracy regards being part of IM as an honour. "IM give opportunities and chances to new staff," she explains. "When I joined I was just a receptionist. Now I have HR, administration and sales experience. All these jobs have been very exciting. The new [Autoglym] project is not easy, but our team has a very good relationship and I am learning a lot from my colleagues."

As a wife, and mum to her two-year-old daughter, Tracy's home life is busy too. "Going to the park and playground, family outings and kindergarten all take most of my spare time!"

Jackie Zhang, heads the new Autoglym operations. The keen runner and photographer has been with IM almost a year. After an overwhelming response at the Beijing international motor show in March and what he describes as 'a brilliant' Press launch in June, Jackie is confident that Autoglym promises good business for IM in China. "We have a great team – hard-working, professional and full of experience – ready to sell Autoglym products and develop the brand. We will supply the best after-sales service to our customers, develop the Autoglym image, attract more customers and expand the sales channels."

One of the important elements in development of Autoglym is the Training Academy, says Jackie. Located within the new IM Beijing headquarters it is a symbol of the brand's image. "It shows that IM is an official distributor, with real strength and a great team that the customers are able to count on. It is a very good showroom in which you can see all the Autoglym products and benefit from a demonstration of the products by professional trainers."

Many customers in China, especially car beauty shops, specifically require professional training, he says. "Our advantage is having the academy."

For several years a major part of IM's business in China has been the Vehicle Certification Agency (VCA). Ann Zhou, who has been with IM for nine years, is the VCA administration manager. She recalls that when the VCA business started in 2005, all the customers came from the motorcycle industry. "Now, most whole-vehicle manufacturers in China are our customers. And we have very good relationships with them."

As an indication of the growth of VCA business, Ann says that in 2005/06 some 42,000 invoices were sent out. "That has grown almost five-fold with more than 200,000 invoices sent to VCA customers in the past year."

The peak year for IM was 2012/13. "Since then there have been more and more competitors joining the field," she says. "So there are more challenges to staying at the top." However, with innovative methods she is optimistic that the company's outstanding achievements can be maintained.

Like many of her colleagues, Ann is an Anglophile. One of her biggest passions is Western movies. "I really love Sherlock Holmes," she says with her infectious laugh. "These are very popular in China." Haitao Jia, deputy general manager – IM Beijing, clearly reflects Lord Edmiston's original plans for a long-term approach to business with China when he cites an old Chinese saying: Make friends first and then concentrate on the business... "The long-term approach, with a confident strategy, is the most important thing in China," says Jia. "With that you can guarantee [good] business relationships." A long-term approach builds trust, he adds. And with trust, co-operation and success follows.

"Now, most whole-vehicle manufacturers in China are our customers. And we have very good relationships with them."

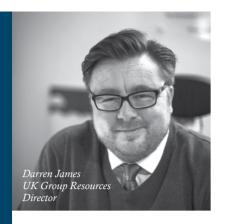
"China is [still] a developing country – not a developed country." This, he says, is illustrated by the emergence of China's middle class.

"They have solved the problem of 'not having' and moved to 'having'. They now have a car and have started to achieve the dream of a quality life. I believe it was the right time for us to launch the Autoglym business in China."

However, he acknowledges the slowdown in China's economic growth which, he believes, will actually present opportunities for organisations such as IM. "Higher and higher requirements of the [domestic] car market mean the gap between China and the European market is smaller. Coupled with the slowdown here, Chinese OEMs have more desire to develop overseas markets. This makes it easier for us to talk with OEMs to develop co-operation [providing] opportunities for IM to expand in China."

Jia, who has been with IM almost eight years, once worked for Lotus and represented the company in China. Like many of the IM team in Beijing, he is a qualified engineer. A family man, with one son, Jia might have once taken a different career path. "When I was young I played soccer – left-back. But as I got older I got a bit lazy! Because I can no longer play soccer, I swim and exercise at the gym. Swimming is good to release all the pressures of business. It helps me to relax."







While the gaining of new franchises makes headline news, with muchdeserved praise for those who worked hard to win the business, the announcements are just the beginning of the contribution to the growth of IM Group that some departments are making. Logistics is just one such example, says UK group resources director, Darren James.

"From a logistics perspective we have a process and a logistics chain that work. So for all the new things that we're bringing on board – whether that be Citroën in Ireland, Proton here or Isuzu in Sweden, whether cars, parts, technical operations or warranty operations – it is basically about understanding the market, and the new dealer networks, and guiding them into the IM way. We've done this lots of times and it's almost become automatic. There's no panic because we know what we need to do, how we're going to do it and where we need to go..."

He believes that one of the secrets behind the smooth integration is the number of longserving employees. "Among my parts guys there isn't one who has been here less than 20 years, and Phil Evans, our Technical Director, has been here almost 40 years! When you've got people like that, with real continuity in the business, it makes things a lot easier," says Darren. "We've all done it before, seen it and got the T-shirt! Having said that, we don't do it in an arrogant fashion. When we're bringing new elements into the business we always look at their systems and processes. And if there's something they're doing that's better than what we do, we'll adopt it."

Darren concedes that IM tends to have different ways of doing things. But he sees that as an advantage. "We understand we're niche, we understand we're small in comparison to some; but that makes us much closer to our dealer network and much closer to our customer base." As an example he cites the response of IM's new colleagues in Citroën Ireland. "We've gone in like a breath of fresh air and, suddenly, they have contact with real people. They've got people who are very pro-active and they've got almost more support than they can handle. Indeed, we have to be very careful that we don't overwhelm them."

Is the IM approach – not as corporate as some – likely to be viewed as unprofessional? "No, no!" he says emphatically. "It's just the way we do things – very personable, quick to respond and we get the job done!"

TRIBUTE TO UNSUNG HEROES



One of Darren's biggest frustrations is that unsung heroes, wherever they are in any organisation, only seem to get mentioned or commented upon when something goes wrong... "Every business has unsung heroes – from catering staff to maintenance staff, from cleaners to the goods-inwards team. A lot of our unsung heroes have become extremely proficient as they have grown with the company over time," he says. "Mike Savin, for example, our imports department manager, has been here 30 years."

The grounds around IM's head office at Coleshill are beautifully kept. "Someone does that..." says Darren. "There are people all around the business who look after all manner of things and simply get on with their job. They never make a fuss about anything. They just crack on and quietly go about being effective in their role. We have an exceptionallystrong team in IM. It is like a family – and that's no cliché."



"...FROM 1ST DECEMBER 2015, IM OWNED THE ISUZU FRANCHISE FOR SWEDEN. AND THAT'S WHEN THE HARD WORK STARTED!"

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Almost six years ago, IM Nordic Managing Director, Torbörn Lillrud, looked at the Isuzu distributor in Sweden and came to the conclusion that, for whatever reason, it wasn't performing well. He contacted the distributor and offered to buy the franchise. He was turned down. But far from giving up, Torbörn continued approaching the Isuzu distributor. "We wanted to expand our business and get more franchises for IM Nordic. I contacted the Isuzu distributor several times every year and tried several ways – always very diplomatically – to acquire the business." This was in addition to working closely with Martin Dalton and his IM business development team to look at different franchises around the world.

Meanwhile, his desire to take on Isuzu in Sweden remained intense. "They didn't want to sell and we didn't give up," he says. The Isuzu distributor in Sweden finally felt it was better to sign an agreement with IM Nordic. "We started price discussions and, in late October, we signed the agreement with them that meant from 1st December 2015, IM owned the Isuzu franchise for Sweden. And that's when the hard work started!"

Not that the magnitude of the task ahead is unknown. For in a remarkable repeat of past success, it will effectively mean doing for Isuzu what Torbörn and his team did a decade ago to rejuvenate the under-performing Subaru franchise. "This is the same situation as when I took over Subaru. Our dealers were not co-operating and many were not located in the right areas. So my

IM NORDIC



"BUT FIRST, HAVING FOUGHT SO LONG TO WIN THE FRANCHISE FOR SWEDEN, WE HAVE TO DO WHAT WE PROMISED... AND DEMONSTRATE THAT WE ARE MORE THAN CAPABLE CUSTODIANS."

plan is to do more or less the same with Isuzu as we did with Subaru.

"We have to move into bigger cities and into more-established dealers who have a good reputation and the right financial power to work together with us. We have good Subaru dealers in good locations and, since we announced that we have taken over Isuzu, more than 20 prospects from our own dealer network have contacted us and want to make the same trip with Isuzu and IM Nordic! Fortunately, the vehicles do not compete."

Many Subaru dealers have strong links with business buyers as well as private motorists. Many business-buyers need pick-ups in their fleets. But without a pick-up truck in the Subaru range they cannot meet the demand. However, Isuzu's D-Max would more than fit the bill. "The main market for pick-ups in Sweden is from businesses, industry, road authorities, mining operations and, to a lesser extent, farmers," explains Torbörn. "They all want a tough, rugged and reliable workhorse.

Then there is the lifestyle market. So far, this has been taken mainly by the Volkswagen Amarok, which is a comfortable car to drive. With Isuzu, the brand image here is very poor – almost non-existent. However, with the knowledge and the work that has been done in the UK with accessories to style the car for certain target groups, such as people who like cool SUVs, we can grow the market among the niche target groups."

So how does he see the market for D-Max under IM's ownership?

"The previous distributor struggled with

around 6% to 7% of the Swedish market. That's 300 to 450 cars per year, very small numbers compared to the UK where, with three times the market share, more than 6,000 D-Max will be sold in 2015. Isuzu is the smallest player against six main competitors in Sweden while in the UK it is the second-or third-biggest brand. So we can clearly see that there is business potential in Sweden and have identified our goal of having at least the same market share as Isuzu achieves in the rest of Europe – around 15%. That will mean tripling sales between 1,000 and 1,300 cars per year."

With the D-Max so well-suited to the Swedish market, that should not be a problem. "We can't see any problem with the vehicle. Sweden has 50 dealers, while Subaru here has just over 70, and some will almost certainly take on Isuzu.

TEAM EFFORT

Torbörn is the first to pay tribute to the work that everyone in IM has done to secure the Isuzu franchise and expand the business. "I must emphasise the fantastic job that Martin Dalton and the IM business development team are doing and the tremendous co-operation we have had from them," he says. "With their hard work, and what they are doing, I am confident that we will be able to furtherexpand our business with more franchises. And that means a lot to all of us in IM Nordic.

"Everything that we have successfully done in the Nordic area – the growth of Subaru and taking over Isuzu – could not have happened without my fantastic IM Nordic team. They are good people, dedicated and believers. They are so professional in all that they do. And I know I can speak for all of them when I say that all of us are really proud to work for the Edmiston family." We will, of course, give every existing dealer a fair chance of continuing to work together with us. But that will depend upon whether they want to invest together with us."

What does the future hold for IM Nordic and Isuzu?

"We hope that there will be opportunities to take on the Isuzu franchise in other territories in Scandinavia if the opportunity arises," reveals Torbörn. "But first, having fought so long to win the franchise for Sweden, we have to do what we promised. We have to turn the franchise round and demonstrate that we are more than capable custodians."

Subaru business in the Nordic region will set its ninth new sales record in 2015 with more than 8,500 cars delivered. That's 550 more than in 2013 when, unlike last year, there were no restrictions on supply from Japan. So what is the secret?

"Success is not down to one single factor," says Torbörn. "There are many ingredients and they start with an extremely clear vision for the company and the team. My first goal is employee satisfaction. If you have a team that is dedicated and believes, and is professional and does a good job, then you reach your second goal - dealer satisfaction. We always want to be the best distributor in the market... When you achieve those two goals, you score my third, which is customer satisfaction! My fourth goal is to expand the business and to be continually growing, while the fifth and final goal is that everything has to be profitable for us and for the dealers."

So what will the 2015 profit be? "Ah," he says with a wide smile. "I can tell you in three words – the best ever!"

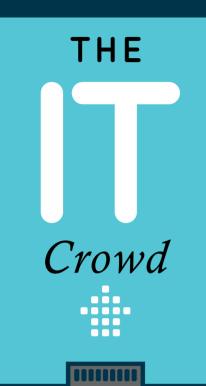


BELIEVING IN ISUZU'S POTENTIAL

Paul Tunnicliffe, who acted as matchmaker in IM Nordic's efforts to take on Isuzu in Sweden, says one of the most important aspects of what has happened is a demonstration of Isuzu's global respect for IM. "This step they have taken is extremely significant"

He says Isuzu has got to increase its volumes in Europe so that the region becomes a significant market for them. "If they want to be a global player they simply have to be big in Europe. We have an ambitious management team in Sweden and I could see that their ambitions would be fed by taking on Isuzu in Sweden. From our experience in the UK, we know what levers to pull and how to turn Isuzu into a really good business. It's all about getting the dealers on side, and asserting what is different and special about the Isuzu brand against all the others. I believe we've done a really good job in the UK considering that eight years ago people had pretty much given up on Isuzu." IM Nordic had, he says, been looking at what the UK had done, especially since they had successfully turned round the Subaru franchise. "Following repeated unsuccessful approaches to the distributors from Torbörn it began to look as if nothing would change. But a short while ago Isuzu reached the conclusion that they wanted to see things change and suggested both IM and the previous distributor talk to each other. Those conversations proved to be worthwhile and I do believe that IM, with our UK Isuzu experience, plus our team in Sweden, will be able to successfully take the franchise forward.

"The D-Max is the perfect vehicle for the Swedish market and we don't need to tell the guys in Sweden how to run a car franchise – they're more than capable of doing that." And an extra benefit from the deal is, he says, the strengthening of relationships between Isuzu and IM. "And who's to say that more markets won't come our way?"





INFORMATION TECHNOLOGY – IT – IS AT THE HEART OF VIRTUALLY EVERY ASPECT OF IM'S OPERATIONS.

And with the rapid expansion of the company during 2015, its 11-strong IT department has been kept on its toes. Acquisition of the Citroën franchise in Ireland, and the Isuzu franchise in Sweden, triggered one of the IT team's biggest challenges – embedding other company's processes within the IM systems and processes.

"Initially the biggest problem is trying to find the right person on the other side who has got the answers to the questions you want to ask," says IT manager, Nick Flavell. "Often you ask a question of the first person you are guided to and he or she knows only one part of the answer. That means finding someone else. And then you often get a different opinion, which can lead to conflicting information!"

Once they have found the right people with the right answers, Nick and his team have to map across information on the newly-acquired franchise's system to render it in a format that IM can use in its system. "It's not as straightforward as simply picking something up and dropping it in to our system," explains Nick.

An added complication is that some business processes are distinctly different between companies. Citroën's processes are not the same as Isuzu's or Subaru's. Add to that the differences that occur thanks to geographic location – Ireland and Sweden have different rules and regulations relating to car registrations etc – and the permutations of complexity rapidly multiply! "The legal things we need to do, and the different pieces of information we have to exchange with different national organizations, all adds to the task," says Nick.

Even when IM took over Daihatsu, way back in 2000, the fact that Daihatsu used the same computers as IM counted for nothing. "There were still big differences between work processes and how Daihatsu manipulated data and used data to do certain things. It was still a challenge."

The first move for the IT team is always to



acquire basic vehicle data, parts master data, vehicle history, warranty information and financial information.

"We then data-map it across to our data bases. At this stage we might have to modify the business process on our system to match what's needed for the new franchise," explains Nick. "We're currently doing that for our vehicle ordering process system to suit what works for Citroën in Ireland. It's not just a case of changing their process system to suit ours. We sometimes have to modify ours."

When it comes to parts ordering, the likelihood of complications is reduced. "Parts ordering is a fairly straightforward process compared to vehicle ordering and warranty claim processing," he says. Language, per se, is not a huge issue. In Scandinavia, in particular, a lot of the franchises have their information in English. It's not unusual to have English for technical documents, and English is widely spoken.

"The critical element of the additional work we, as the IT department, have to do is that irrespective of whether you are selling 10 cars or 10,000 cars, 100 parts or 100,000 parts, the simple truth is you've got to have a fully-workable system to sell a small number or a large number. The amount of work involved to get a small franchise up and going is significant.

It involves just as much as if you were taking on a large franchise selling hundreds of thousands of vehicles! The backbone of the systems you have to put in remain the same, even if the data volume is less..."

For each franchise there are a number of systems that need to be created. "Once you've sold and registered a car you then need a system for its servicing and parts as well as one for any warranty work," explains Nick. "Selling just one vehicle initiates a lot of work that needs to be done to ensure that you've got a full system that can cope with all the demands of a modern business to deliver solutions to the dealers. What we're trying to do is provide a tool that the dealers can use for their customer and themselves today and well into the future. We are the support for that fulfilment by the dealer."

At the same time as all the work to embrace new franchises and expansion of IM's businesses is going on, Nick and his team are constantly looking at updating and modernising IM's internal IT systems. "One thing we are conscious of is the need to get as much information as possible on to screens so that they are tools with which people can work quickly and efficiently." However, as Nick points out, every time a new franchise is acquired or a new office for IM Properties is opened, improvements to internal systems inevitably take a back seat...

Security is paramount as far as Nick is concerned. "We do all that we can to ensure our network and systems are secure." And that even involves commissioning expert professionals to undertake what are known as penetration tests. "Those are carried out to see how vulnerable we are to attack from outside and how resistant to attack our protection is. We are conscious that we hold customers' names and addresses and are very aware of our need for due diligence and maintenance of a high level of security." The team is constantly tackling new challenges. Earlier in the year it was the opening of the new IM office in Beijing. More recently the IT team has assisted with the opening of a new office for IM Properties in Chicago and new systems and regional office for Spitfire. And with the signing of an agreement with Proton towards the end of the year, Nick and his team started preparing to embrace yet another new franchise within the IM fold.

With such an intense workload, it's no surprise that Nick is trying to recruit addition staff. However, he admits that it is not easy to find people with the right skill-sets for the demanding roles within IM's IT department. "We look for people who are quite prepared to get their hands dirty and do quite different tasks," he says. "We want people who can not only talk to directors and end users, but can also design, build, test and implement systems. And that's not always easy to find. You can sometimes find people who can do the development work, but they might not be so good on the communications side... At IM it is vital that people understand how the company works."

When it comes to anticipating future developments in IT at IM, Nick's head is firmly in the clouds – the IT Cloud. This provides data storage and public-access Wi-Fi hotspots throughout the UK. "I think everybody's solution for the future is The Cloud," says Nick. "It is seen as the most obvious thing. Business continuity is so important and even a company's phone system can be within The Cloud. The resilient nature of The Cloud does seem to be the way that business is going for sustained continuity. In five to 10 years' time I think that many businesses will have a significant part of their IT estate in The Cloud. The connectivity and resilience it offers is very appealing."

Andrew Edmiston shares his thoughts for the future for IM Group.

the future INF CUS

In sport, each of us may know some stories about teams that were successful and what obstacles were overcome to ensure they became 'winners'. I remember ten years ago when England won the ashes after years of difficulty. And who can forget that moment in 2013 when Britain's Andy Murray won Wimbledon – the first time for a British man since Fred Perry in 1936.

These were outstanding achievements following periods where success had been hard to come by. At IM Group it feels like we have done something similar in the sense that we have returned to an amazing position of health and high performance after the difficulties we faced when the world seemed to be in the grip of a particularly severe financial crisis towards the end of the last decade.

In May 2016 we will be 40 years old! We plan to mark that milestone, not with a corporate 'back-pat'

but with a question; "How can we use who we have become to determine what we will achieve in the future?" Singular outstanding achievements in sport are wonderful and good. But those who can repeat them regularly, and consistently, have found a way to go further and become 'great'.

We must find what makes the New Zealand All-Blacks such regular winners, what drove Sir Alex Ferguson on to 38 trophies in 26 years with one team and what keeps the Germans so successful in the World Cup!

I think there is some truth in that old adage; 'What got you here won't get you there'. Perhaps for us the future must be about using what got us here to help us discover what will get us there. This is something we have repeatedly done as the group has now successfully travelled through many decades, each of them different, all of them bringing ever-increasing change to our economic and competitive environment.

Nevertheless, I believe we are entering a period of increased opportunity for the group and I know that the shareholding family, plus the group's board are united in their desire to see the company seize the moment and translate the same identity and culture 'that got us here' into a business that can successfully take a step-up in terms of size, scale and influence.

There will undoubtedly be some reinvention involved and recent successes should never be a cue for complacency. But if we can find a way to preserve our identity as we grow, then I believe we will provide opportunities for our staff and associates to write yet another great chapter in this remarkable story. A story which belongs to every member of the team.



SUBARU SWEDEN

'This car is totally wrong' while the strapline adds 'If you want to fit in.' The purpose of such a powerful and evecatching headline, says Fredrik Tottie, Subaru Nordic's marketing director, is to highlight the niche-appeal of the Levorg in a market where the majority of motorists drive Volvos, or a German station wagons, but where many people don't want to follow the crowd..."This says that we have just the car for them!" adds Fredrik.

OM DU VILL PASSA IN

Om du är en person som vill vara som alla andra, och trivs med att bo på en gata där alla kör en kombi de kallar en "svensk klassiker". Då är nya Subaru Levorg ingen bil för dig. Men om du istället förstår vikten av symmetrisk 4-hjulsdrift. Om du vet vad en Boxermotor med turbo på 170 hk kan erbjuda. Då kan vi snacka. Med Subaru Levorg har vi skapat en rå sportkombi baserad på chassit från sportbilsikonen WRX STI i kombination med klassledande lastutrymme. Subaru Levorg är sportkombin som är så fel att den är rätt. **Pris från 269.900:-**

subaru.se

Bränsleförbr bl. körn. 6,9–7,1 l/100 km. CO2-utsläpp: 159–164 g/km. Bilen på bilden är extrautrustad. *Eller vid 1.500, 3.000 och 4.500 mil.

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