

THE MANAGEMENT PAGE: Small Business

WHAT DO Brunel bridges and Morris Minors have in common?

Nobody knows the answer to that question better than Charles Ware, avid Brunel-worshipper and proprietor of the Morris Minor Centre in Bath.

Apart from both being antiques, the great Victorian bridges and those humble, bulbous runabouts share one important engineering principle: they are designed so that parts can be repeatedly replaced and repaired without distorting or weakening the overall structure.

So long as they are maintained, their lives can be extended almost indefinitely at relatively low cost. This means "there are real economic and practical reasons for putting money into old motor cars," argues 48 year-old Ware.

On the strength of that simple theme, he has launched himself in the space of seven years from bankrupt former property dealer to head of a thriving Morris Minor renovation and parts distribution business, with an annual turnover of £1.5m and pre-tax profits of £110,000 in the year to last September.

In the New Year, Ware will take over the factory next door to his 6,000 sq ft workshop in an industrial suburb of Bath to start making the first Morris Traveller bodyshells since the range went out of production in 1971.

And at next October's Birmingham Motor Show, he plans to unveil updated versions of the Minor and Traveller, with 1.3 litre engines, modern seats and heating, disc brakes, sound-proofing, improved suspension, and optional automatic gear-changing—all for around £8,000. "Except for the basic shape, it will be exactly like a modern car," says Ware. But if it sounds too pricey, he is negotiating with a building society for a long-term Morris Minor financing package—similar to a mortgage and different from the three-year maximum for repayments—which generally applies to car loans.

Seated in his tiny, oil-stained office, Ware waxes lyrical about the economic advantages to drivers of so-called "durable" car ownership.

Since the 1973 oil crisis, fuel efficiency has been uppermost in the minds of car designers, he points out. The result, he says, has been a generation of lightweight vehicles built of thinner-gauge steel than their more solid predecessors—and therefore with a shorter body life.

As manufacturers have striven to cut labour costs and to mechanise production, they have tended to produce what



Charles Ware: "real reasons . . . for putting money into old cars"

A Minor revolution in car-selling

William Dawkins reports on a specialist renovating service

Ware calls "solid state" cars, which are highly efficient for their first few years of life, but thereafter depreciate in value very quickly as they rust and need major mechanical repairs.

Their design means that major repairs are often the result of small faults. If one component of the gearbox packs up, for instance, a solid-state car may need a whole new gearbox. With a durable car, like the Morris Minor, it may be possible simply to replace the component.

Ware maintains that putting fuel efficiency before bodywork and ease of repair is "like throwing out the baby with the bath water," because depreciation forms by far the largest element of the running costs of planned-obsolence cars.

He estimates that such cars cost around 22p per mile to run, of which depreciation takes 15p, while a durable car with a slightly higher routine maintenance bill will cost just over half as much to keep on the road.

As well as Morris Minors, his list of durable cars includes

Volkswagen Beetles, the Triumph Herald, Austin A40, early Ford Escorts and Cortinas and his own vehicle—a 20-year-old Mercedes.

Ware also accepts that some modern cars, like VWs, Volvos, Rolls-Royce and Porsches, have durable bodywork, even if they are designed on the solid state principle.

For 80 per cent of the 16m car users in the UK, Ware's argument is unimportant; they drive company cars, which tend to be kept for only 40,000 miles and losses on them can be written off against tax by the corporate owners.

"But it does mean that those people in the banger market will no longer have access to cars they can use for 15 years," says Ware.

Ware reached his passion for Morris Minors via the unlikely of routes. Originally an art lecturer at the Slade School, he started a building business in 1963 renovating early 19th-century houses in Bath. By the late 1960s, the property boom had made him a millionaire, but the subsequent property slump left him bank-

rupt in 1971, owing £500,000.

He borrowed £500 from friends and turned with no real enthusiasm to car dealing, until it dawned on him that "the structural standards I had applied to old buildings could just as well be applied to cars."

The Morris Minor seemed an obvious choice as a renovation candidate because it was fashionable and looked as if it would last. "The cars seemed interesting and the people who owned them had a special relationship with their cars. They seemed like friends."

With an estimated 200,000 Morris Minors and Travellers on the road, 10,000 of which change hands annually, there seemed to be a reasonable market. So Ware persuaded his friends to stump up another £10,000, bought eight cars to repair and set up with three workmen in his present premises.

Almost to his surprise, turnover shot to £100,000 in the first year and Ware—who now employs 30—had a nine-month order book on his hands.

"We didn't have any real banking facilities, so customers' deposits were our only working

capital. If you are starting up a business with nearly nothing, you become totally aware of cash flow," he says with grim understatement.

Indeed, since that experience, Ware has never marketed his services, beyond taking a fortnightly advertisement in Exchange and Mart and relying on press publicity.

At the outset, the strategy was to offer a complete, one-off renovation package for Morris Minors, which would turn an aged bone-shaker into an effectively new car with a five-year guarantee for up to £2,500. "For some customers, a bill of that size was a real turn-off. We wanted to keep on improving our standards, but there was a danger of pricing ourselves out of the market," says Ware.

He was unwilling to provide a cheap short-term repair service, so turned instead to priority spending schemes. Customers were offered a list of priority works based on a survey of their vehicle, which could be spread over several years to minimise the initial cost.

"We developed a total life support system, which allows a car to keep running for up to 30 years." Ware is now planning a similar package for a staged modernisation based on the car he is introducing next October.

As volumes increased, it became clear that Ware's office was too small to store spare parts.

So the company took a 5,000 sq ft warehouse nearby and, supplied by original Morris Minor subcontractors, set up a mail order distribution service. In the past two years, it has grown to take two-thirds of the company's turnover and provide useful cash flow.

The success of the parts business, where half of sales go to other garages and do-it-yourself enthusiasts, highlights the limitations on Morris owners' willingness to drive to Bath for Ware's services. Some customers have come from as far afield as Dublin, but Ware realises that his growth in a specialist market will be limited unless he can spread his net.

For this reason, he hopes to build up a chain of 10 licensed garages, approved and supplied by the centre. The first, attached to the Stormont Ford dealers' bodyshop in Woolwich, London, opened three years ago. Buist Motors, Leyland dealers in Newcastle upon Tyne, opened a second last autumn.

Ware's ultimate dream is to design and produce his own car to supplant the present generation of durables. The idea has a familiar ring for those who remember the de Lorean fiasco, but Ware is setting his sights on a more utilitarian product.