

RALEIGH

Celebrating 125 years



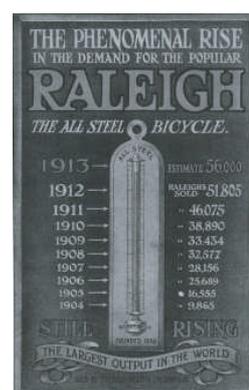
RALEIGH AND INTERNATIONAL OPERATIONS

When Frank Bowden returned to Britain in 1885, he was a man of the world. For fifteen years he'd lived abroad. He'd made a fortune on the stock market in Hong Kong and married a Californian wife. When he decided to invest in a small bicycle workshop on Raleigh Street, Nottingham in 1887, it was clear to him the business would have an international outlook from the start.



Early on Bowden instructed a company in Birmingham to set up a European sales network. Raleigh bicycles were soon being sold in Poland, Sweden, Czechoslovakia and Spain. By the beginning of the 20th century, Bowden was exporting even further – to South America, the Subcontinent and Australasia.

People thought Bowden's emphasis on overseas sales was eccentric: after all, there was a massive bicycle boom going on at home in the early 1890s. Bowden was astute, though. Through international sales, Raleigh was better positioned to ride out the crises the domestic industry encountered, in particular the slump in 1896. By the time of his death in 1921, Sir Frank Bowden had been round the world seven times appointing agents and distributors for his company. He had successfully secured Raleigh's position as one of the major international players in the bicycle industry, a position the company retains to this day.



Under Frank's son, Harold Bowden, Raleigh looked beyond distribution and sales agreements. The company began to build factories and assembly plants overseas,

to take advantage of lower labour costs and avoid import duties. A factory in Dublin started manufacturing bikes in 1936. The greatest drive for growth, though, came after World War II. At the time of the Queen's Coronation in 1953, Raleigh were manufacturing over 100,000 bikes a year in Nottingham, and exporting 70% of them to every corner of the planet. This was, perhaps, the zenith of the British bicycle manufacturing industry.

As newly affluent consumers turned to the motorcar for transportation in Britain and domestic bike sales began to fall, Raleigh embarked on a prolonged period of overseas expansion. A new plant in Boston, USA began making bikes in 1948; the Sen-Raleigh factory in Asansol, India opened in 1949. Further factories opened in South Africa (1950), Canada (1955), West Germany (1957), Malaysia (1966) and Kano, Nigeria in the early 70s.

When Raleigh and Tube Investments merged in 1960, the resulting company became the largest bicycle manufacturer on the planet. Other international bike brands like Phillips and Hercules came under the umbrella through the merge, while Nottingham became the centre of global bicycle manufacturing. They were heady times for a company at the height of its powers. Royalty regularly visited the Nottingham HQ. The 75-acre factory site was a mile from corner to corner.



The art deco head offices on Lenton Boulevard contained five canteens, an executive penthouse flat and a ballroom. The Raleigh head badge, with the

haughty-eyed heron, was an icon of the industry. At the time, Raleigh was one of a only handful of truly global brands.

'It was like an empire. The company 'followed the flag,' we used to say: wherever the Commonwealth was, there was Raleigh,' John MacNaughtan, current Director of Raleigh International who joined as a graduate trainee in 1965, said. 'In the late 60s, Raleigh Industries Limited was manufacturing 4 million bicycles a year and 75% were being exported. Raleigh had over 60,000 unique models in its range, to meet local requirements across the globe. The plethora of specifications and Bills of Material in a pre-computer age makes an operation of this scale a logistical wonder. You could say the sun never set on Raleigh.'

By 1970, Raleigh owned over 160 different brand names – Norman, Excelsior, BSA, Carlton, Phillips, Sunbeam, Hercules, and Triumph to name a few famous ones. The 1970s was all about rationalization though and the smaller brands disappeared. 'Suddenly, we were virtually one brand. Under 'Raleigh' we sold everything from fun bikes for children to Tour de France winning racing bikes,' John MacNaughtan said.

Yet in spite of that, the Raleigh name still remains unimpeachable in numerous countries. Even now, in the year of the Queen's Diamond Jubilee, you can buy a bike with the distinctive heron head badge in over 140 countries on six continents. This is partly a testament to the enduring quality of Raleigh bicycles (not least the best-selling, all-steel, 28-inch roadsters that sold across the Commonwealth for much of the 20th century – 'the mother of all bicycles' as John MacNaughtan described it). It's also partly to do with the company's enduring vision.



Most of the commercial arrangements today are with licensees – there are over 30 – though a small number of subsidiary manufacturing companies remain in Canada, USA, China and Taiwan. Some of the distribution agreements are still in the hands of the companies who originally arranged them decades ago. Raleigh's

oldest distribution partner is in Iran: Khosro Tabarrok is the fourth generation of his family to sell Raleigh bikes.

The brand is, of course, positioned differently in different countries: In Denmark, for example, Raleigh represents integrity and quality and the bikes are expensive, while in Indonesia, they are affordable work horses. To meet the exacting demands of every market and maintain the enviable reputation for quality and value in a global economy that is undergoing a major shift will be difficult. Raleigh is 125 years old: that experience counts in a fast-changing world. The Raleigh mantra today is: 'think globally, act locally'. They are words Frank Bowden might have spoken.

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