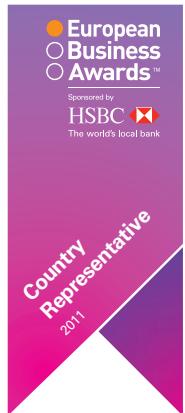


Case Study on:



## Country Representative European Business Awards 2011

**Country Representative - UK**  
Charles Morgan  
Morgan Motor Company Ltd

European  
Business  
Awards™

# Morgan Motor Company

## Continuous Innovation Drives This Traditional Company into the 21st Century

### Words from the Judges

*"Innovation and global expansion are keeping this iconic brand as relevant today as it was 100 years ago."*



The Morgan Motor Company has had a long and distinguished history, making its very first public appearance in 1910 at the Olympia Motor Show. Today, over 100 years later, the company is still going strong, experiencing year-on-year growth despite recent global economic downturn. Its success can be attributed to Morgan's commitment to innovation and modernisation. The specific aims of the business may have changed over the years, but Morgan has never lost sight of its overall goal, to build cars that are fun to drive.

It is Morgan's continued introduction of new models, investment in sustainability and plans for global expansion that have led the European Business Awards 2011 to select Morgan Motor Company as one of only 25 Country Representatives in the UK.

**In 2011, the company will hit an all-time production high of over 1000 vehicles, which will be manufactured in the company's plant in Malvern, Worcestershire, UK.**

In the mid-'80s, distinguished news cameraman Charles Morgan joined his family's firm. Enthusiastic and determined to make a difference, Charles became CEO in 2003 and has had a significant impact on the direction of the business in the past eight years. In 2011, he was appointed Chairman of Morgan Motor Company.

Charles led the team that developed the first AIV (aluminium intensive vehicle), designing a chassis that meets world safety standards but is 20% lighter than comparable steel production. Subsequently, Charles has been instrumental in pioneering the use of superformed aluminium bodywork, a technology more commonly associated with the aircraft industry.

**"In our industry, the old adage 'innovate or stagnate' has never been truer. At Morgan, we are committed to bringing out a new model every two years and we continuously have projects in the pipeline that are designed to meet our customers' diverse requirements."** Charles Morgan, CEO, Morgan Motor Company



Responding to customers is an ability that sets Morgan apart from its competitors. With R&D on site, a highly-skilled workforce and flexible manufacturing systems, the company can react quickly to market trends. It can easily produce limited editions to satisfy particular customer or country requirements.

The company invests 20-30% of its net profits in R&D which although high, is deemed necessary to ensure its new models are developed to global standards and existing models are updated to meet both performance and safety requirements.

It is company policy to introduce a limited edition at least once a year. Most recently, the company produced a limited edition of 100 coupes called "AeroMax", followed by 200 super sports cars, the "Aero SuperSports".

The revival of the Morgan '3-Wheeler' shows that the company is inspired by its successful past when designing for the future. Morgan's original '3-Wheeler' was both celebrated and revered until it ceased production in the 1950s. Not looking to replicate the past, today's 'cycle car' has been completely updated with a modern fuel injected engine, a Japanese five-speed gear box and ventilated disc brakes. It is an ultra-lightweight, fun car that combines the performance of a motor bike (0-60 in 4.5 seconds) with the economy of a city car (over 50 miles to the gallon). Over 700 deposits have been received so far.

The company takes deposits of around 10-20% on any bespoke or limited edition vehicle. The deposit system has enabled Morgan to expand and diversify using its own capital. The company has a policy of financing growth through internal profits to avoid taking on external debt. Increased turnover and profit in 2011 have enabled significant growth.

**"Our growth, especially in the past three years has been limited by caution. We have always had a policy of financing growth through internal profits which has reduced our reliance on any external investments and helps guarantee our stability."**

*"The third generation as an owner in the motor industry is rare, to not only survive but also thrive is even rarer and says everything about the vision, innovative drive, determination and entrepreneurial flair that Charles Morgan brings to this business. Morgan's success can be witnessed by an impressive range of national and international awards but more importantly continuing global demand and profitability for this iconic brand."*

**Phil Forrest, Chairman of Judges, European Business Awards 2011**

### Looking to the Future...

As leader of the "LIFEcar 2 Project" and a member of the "YaMog" consortium, part funded by the Engineering & Physical Sciences Research Council, Morgan Motor Company aims to manufacture a low emissions sports car in 2012.

Thanks to its collaboration with BMW and Ford, Morgan's emissions are already as low, if not lower than any other petrol or diesel sports car. This is because Morgan cars are made from aluminium which is 20-30% lighter than steel. The Morgan Four Four currently has a carbon emission of 129 grammes per kilometre (g/km).

**In 2010, the super-efficient Morgan EvaGT four-seater saloon concept car was shown at Pebble Beach, California. Demand has been proven with almost 2000 interested parties and over 100 deposits taken.**

Morgan's goal is to make the lightest cars in their class. It is embarking on a project to produce outer panels from magnesium which can be 20% lighter than aluminium. Though there are technical challenges in this, it is hoped that Morgan's luxury models will be produced using magnesium body work in the near future.

Morgan is also committed to producing an electric car with zero emissions. The company is currently working in collaboration with five universities and electrical control systems specialist, ZYTEC. The plan is to launch the production car in 2013 at the same time as a petrol version, which will be powered by a BMW straight 6 turbo-charged engine.

Export currently makes up 70% of Morgan Motor Company's business activity. The company has recently seen a surge in sales in both Germany and France and is also very active in Japan. Expansion into new markets is a big opportunity for Morgan and the company has plans to open new dealerships in China, the Middle East and India in 2012, in order to launch the classic Morgan sports car.

**"With a wide and diverse export network, we will be protected from financial downturns in any one particular economy."**

In the future, the company will continue to collaborate with key technological suppliers and leading UK universities in order to gain access to the latest technologies in the motor industry.

The UK is a centre of excellence for automotive design, power train engineering and motor racing and all of these disciplines are crucial for the future plans of Morgan Motor Company. The company works with many smaller suppliers from around the West Midlands who provide the company with carefully engineered and crafted specialist parts that are needed for such a unique car. As the company expands, these smaller suppliers are also likely to benefit.

Collaborations with leading lifestyle brands have been very successful, most notably the Morgan Hublot watch, with 500 limited editions sold worldwide. The company is now collaborating with youth clothing brand Superdry on a range of weatherproof clothing to wear whilst driving the Morgan 3-wheeler. This successful marketing strategy is strengthening the Morgan brand and introducing it to a broader audience.

The company is committed to using the latest software to communicate effectively with customers and has been developing new ways of making sure that its customers feel valued. The factory visitors' centre is used on a regular basis to entertain and stimulate customers with over 20,000 people per year visiting the company's base in Malvern. By speaking to all these visitors, Morgan is able to build up a detailed picture of its customers. This information is used to guide Morgan's future strategy along with other information collected through Morgan's attendance at motor shows and events throughout the year.





*"I am very proud that Morgan Motor Company has been selected as one of the UK's best medium size companies. It's certainly enough to be in the short list, but a win would accelerate our plans to move into the new emerging markets of China, India and South America. May I thank HSBC for all their help in our plans for the cautious expansion of a famous and respected UK manufacturer."*



**Charles Morgan, Chairman**

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#### About Morgan Motor Company

For over 100 years, the Morgan Motor Company has produced classic sports cars for enthusiasts across the world. With its iconic styling and excellent performance, Morgan has become an aspirational brand synonymous with class, quality and a fantastic drive.

British made, the company prides itself in its Malvern, Worcestershire base and its strong links with local suppliers as well as its work with the UK's best universities and technological providers. The company has benefitted from six Knowledge Transfer Partnerships with UK universities supported by the UK Department of Business Innovation and Skills.

Being based in Malvern, an area of outstanding natural beauty, has always forced the company to be aware of the environment. According to Cardiff University, Morgan has one of the most sustainable models for car production in the World. ("Why Morgans are Green" – Peter Nieuwenhuis and Peter Wells)

Morgan Motor Company's biggest assets are its 182 loyal and committed employees who all have a considerable level of input into the future direction of the business. The workforce is young, enthusiastic and innovative; they have the skills and the foresight to harness new technologies and trends and mould them into the Morgan cars of the future. Supported by the Board of Directors as well as the Shareholders, Morgan is undertaking a strategy of cautious, yet committed growth, with a long term focus. The company is currently training 12 apprentices (10% of the shop floor) to satisfy demand for the new Morgan 3-Wheeler.

The company has won numerous awards over the years. In 2000, Morgan Motor Company was voted 'Specialist Manufacturer of the Year' by Autocar magazine and won the Guild of Coachmakers annual motor industry award. In 2001, Morgan collected the Sir Henry Royce Award from the Guild of Carmen. In 2002, it was voted one of the UK's '100 most visionary organisations' by British Telecom. 2007 saw the company winning the Lord Stafford Award for the best example of collaboration between business and

universities. In 2009, Morgan was voted 'Car Manufacturer of the Year' by the Manufacturer magazine and Charles Morgan received the annual President's Trophy from the Guild of Motoring Writers. In 2010, the company was awarded a Ruban D'Honneur at the European Business Awards as well as being awarded the Richardson Brothers Award for 'Outstanding Achievement in Business'.

Charles Morgan sits on the Automotive Council Technology Advisory Board to facilitate the introduction of low carbon technology into the UK automotive supply chain.

The company's three websites: [www.morgan-motor.co.uk](http://www.morgan-motor.co.uk); [www.morgan3wheeler.co.uk](http://www.morgan3wheeler.co.uk) and [www.aeroracing.co.uk](http://www.aeroracing.co.uk) are attracting increasing audiences worldwide, using a combination of film and text to convey up to the minute information.

#### About the European Business Awards

Since 2007, the European Business Awards programme has been shining a light on the most pioneering businesses on the continent by promoting excellence, best practice and innovation in the European business community. The awards programme recognises excellence in all disciplines of business including individual business functions. Last year entrants ranged from fish farming organisations to renewable energy firms. Together they had a combined turnover greater than €1 trillion Euros (8.23% of EU GDP) and employed over 2.7 million people between them.

Businesses from over 30 European territories entered the Awards. The competition for is fierce with many of the Europe's most established brands being represented. Entrants are judged by a panel of experts in their fields who bring experience, business acumen and understanding to the board.

Country Representatives are deemed by the judges to represent the very best companies in each territory. In 2011, the standard was particularly high, with the programme engaging with over 15,000 companies in the initial stages.



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