



A family affair

Brothers in arms, Darren and Steve Brown of Broad Lane Leisure on restructuring the family business, the art of selling and how their dealership has emerged from recession in a better position than ever

Broad Lane Leisure is the Midlands' premier caravan and motorhome dealer, a multi-site giant with, until recently, four branches and a turnover of more than £19m a year. Founded by brothers Colin and Jack Brown some 40 years ago, it remained a family business through the decades: Colin's sons Steve and Darren headed up the group's Kenilworth and Alcester branches respectively, while Jack's son Dave came onboard at the Daventry branch.

Earlier this year, though, the family business came to an end, and a major restructuring took place. The demerger, or 'disentanglement' as Darren and Steve delicately put it, involved one half of the Brown family – Colin, Steve and Darren – buying out the other half.

They closed one of the four dealer sites, the Rugby branch, in order to assist in financing a takeover of the larger Kenilworth and Alcester branches, and retain the Broad Lane brand name. Jack will now focus on the Daventry branch with his son Dave, which has been rebranded as Venture Caravans.

This comes hot on the heels of Discover Leisure scaling back from 16 to five sites, Brownhills from six to four, Marquis from ten to nine: so is this a case of another major multi-site dealer group squeezed in recessionary times? Otherwise why close a successful branch in its own right?

Definitely not, say Darren and Steve. When we met them recently at the flagship Alcester branch, both were in high spirits, on the brink of signing a contract that would make them joint managing directors of Broad Lane Leisure Limited, with Colin the chairman.

Why was now the right time to demerge the family business?

Steve Brown: "We had been aware for

some time of the need to disentangle the family business. Broad Lane Leisure was owned 50 per cent each by Colin and Jack's families. But as the original founders' became less involved, we decided that Darren and I would go forward together with our father, and David would go forward with his father, Jack. Darren has run Alcester from day one, and I've run Kenilworth for many years, and between them, the two sites were responsible for 75 per cent of the turnover, so it was clear that we would have to hand some money over, and raise finance in order to do this.

Were both families in agreement?

SB: "The families have always got on very well. But there has been a desire for some time to disentangle, because Jack and Colin are in their 70s. Jack's son Dave went to boarding school with Darren and I. We shared a lot of time together during our holidays, and Darren was his best man. As a family we are not in each other's pockets, but it was important to us that the demerger was amicable."



Founder member of Broad Lane Leisure Colin Brown remains Chairman of the business today

What was the timeline for the demerger?

Darren Brown: "We met on March 9 to discuss going forward and on March 16 we shook hands on the deal, and from then until June 21, the day the deal went through [one day before Chancellor George Osborne's emergency budget] not one iota of the arrangements had altered. It was just on a handshake. It has been amicable and successful. I have never had a bad word to say with David at all. We are very fortunate to be where we are."

How did you raise the finance?

SB: "Broad Lane now retails a very respectable number of used motorhomes. In order to get the deal we had to cash a few vehicles in. Now we have to build them back up again.

But crucially, we decided to dispose of the Rugby site for sound business reasons: a number of our customers had raised operational concerns over parking restrictions, and difficulties in attempting to drop-off and collect caravans etc. Quite simply, the business had outgrown the site."

DB: "Once we'd decided to dispose of it, we had to move quickly as we owned the freehold of the valuable commercial premises at Rugby, added to substantial assets. The whole deal needed to be completed before the new Government's emergency budget deadline, in which Chancellor George Osborne planned changes to Capital Gains Tax. This would have hit us hard.

"Under advice, we went into solvent voluntary liquidation. With Capital Gains Tax rising from 18 to 28 per cent, it would potentially have cost someone a lot of money."

What happened to the staff employed at the Rugby site?

DB: "There were 11 staff, and all were made redundant and paid their full entitlement. Two were over 65, and

had chosen to continue working after their retirement. One lady was expecting and decided not to come back to work. The other eight were offered jobs at other branches, and all took up those positions as they were keen to stay within the Broad Lane family. In fact, I first employed three of them during my time at Rugby Caravans."

Was the demerger an attempt to streamline in response to these recessionary times?

DB: Just as the financial world had fallen off a cliff, we invested a lot of money in 2008 bringing our Customer Care Department at Alcester back in house,

Broad Lane Leisure: a potted history

In 1971 Colin and Jack Brown started the business under the name Go Camping with a site in Daventry. In 1976, they bought Broad Lane Caravans, originally sited on a road of the same name in Coventry and relocated it to Kenilworth (left).



Steve and Dave Brown joined the business in 1982, Steve working alongside Colin at the Kenilworth branch, and Dave alongside Jack at Daventry.

In 1984, Darren Brown left school to run the newly acquired site, Rugby Caravans. The group continued to run as Rugby Caravans, Go Camping and Broad Lane Caravans, until 1990 when it acquired the Alcester site (below) and rebranded the whole group Broad Lane Leisure.

With the sale of the Rugby site and the demerger, Broad Lane now comprises the Kenilworth and Alcester branches, employing some 60 staff. It retails caravans from Bailey, Coachman, Elddis, Lunar, Sprite, Sterling and Swift, and also has its own Swift-based dealer special, the Fairway. It also sells pre-owned caravans, motorhomes, awnings and accessories.



when everyone else was tightening their belts. Various people frowned at the idea, but we worked out that, because we have been in the industry such a long time, it's a good industry to be in during a recession – and certainly on the way out of a recession. We actually had this confidence that by reuniting the main sales premise with our customer care division and by stripping us down to the bare bones we could see what needed to be done both at Alcester and then at Kenilworth the last year."

SB: "As a family we have always invested and re-invested in our businesses because we are here for the long-term. The modern day customer expects a certain level of experience and service. You spend money with people, and if you are dealt with in a polite, professional way, you're prepared to pay a little bit extra for that quality of service."

Our competition had changed enormously. Until recent years, we had fierce competition from the likes of Barrons, Harringtons and Mendip. They had similar knowledge and experience to us, for example, whether or not a part exchange 2005 Abbey upholstery would sell? Some of our rivals chose to shed all of the experience. We were amazed by that. We enjoy a great longevity among our staff. They know that there are caravans with quirky layouts, with funny upholsteries, with different woodwork veneers and indeed problems that will or will not sell. Whereas everyone has brand awareness when it comes to cars, such as Land Rover or Volkswagen, in our industry, if I said, Challenger, the layman may not have a clue and that's where we started to score. I think buyouts of the smaller dealer landscape have a lot to do with losing that kind of core knowledge.

DB: "We have reviewed staff, the accessories stores, service centres and the sales departments to increase our opportunities. The recession meant fewer customers would be buying caravans, so we sought to increase our market share penetration and income per retail through add-on sales. Where



"We have always re-invested in our businesses because we are here for the long term. If you are dealt with in a polite, professional way, you're prepared to pay a little bit extra for that quality of service."

many people cut back on wage bills and advertising, we maintained our budget and added to our sales team. One key area was a business manager at Kenilworth who sells added-value services such as finance and up selling.

The result is that, although we were down in 2008, we've since enjoyed an upturn, in both sales of caravans and income per unit. By May, sales were running 43 per cent ahead of 2009 which was a great year."

Has the recession changed the relationship between competing dealers?

DB: Not so long ago, I was invited by Unipart to play golf. Unipart had an eye on Discover Leisure, as it grew and acquired dealerships. Unipart wanted their business. On the way back, I stopped off at Catterick Caravans and talked to them about getting a buying group together. Other dealer sites such as Lowdhams, White Arches, Salop Leisure and Golden Castle all came on board too. They're all rivals but all family businesses, and when we talk about pedigree, that's what we mean. Together we formed the Hexagon Dealer Buying Group. We would then go to manufacturers, suppliers and wholesalers as one voice. We're still at it, but not just buying accessories, we use it to look at all aspects of the industry and to cross-fertilise. This alliance has facilitated the sharing of ideas, to see what each is doing, and how they conduct business. We welcome one another, so we can continue to pursue best practice.

Let's talk about the wider industry for bit. Describe your involvement with the National Caravan Council

DB: The NCC has changed beyond belief. I have been on the Touring Caravan Sector Group Strategic Panel for about three years alongside big industry names such as Peter Smith, Patrick Howard, Rob Quine, Brian Mellor and Jim Hibbs. We meet quarterly and it's been a real eye-opener and I think we've managed to do a lot of good for the industry.

Originally I was sceptical. John Lally rang me up and asked whether I would contribute. My name had been put forward by Swift Group's Peter Smith who said I was someone not afraid to have an opinion and say what I think. When I sat in the first meeting I realised this is very serious: forward-thinking."

Has it improved things at a dealer and customer level?

DB: "Without the NCC, I think the industry would flounder. The way they pull us all together, to raise levels of professionalism, should be heralded. They're great at dealing with the bureaucracy and all the various standards that must be met, and they are fighting the caravan industry's corner very well at government level. As I say, without them we would flounder.

"Take the Approved Workshop Scheme (AWS), and trying to roll out standards across the industry. There are companies like us that invest in training all the time, in the premises, in the plant and the machinery. Then there are others that

have a jack and a bit of grease, and that's it! I encourage more dealers to get behind the AWS and understand better what the value added is. Without it, truly judge a dealership's pedigree? The NCC ensures an ethical industry that sells good products and services."

SB: "We have a responsibility to ensure better quality products and services for our customers. Product quality is, on occasion, not good enough. In an industry where 25,000 units will be made this year, for components manufacturers like windows, toilets, water heaters, shower trays, it's a very small marketplace so supplier choices are limited. The industry has to work and cajole these manufacturers along, and the NCC forum gives us an opportunity to air our feelings about this."

DB: "Pat Howard (Chairman, Bailey of Bristol) said something at a recent NCC meeting, and it stuck with me. 'See the world through the eyes of the consumer and we will get it right'. That's exactly what we try to do at Broad Lane Leisure. Our experience ensures we are open. If there is a problem, we have to tell the customer. That can work against you sometimes but you have to do that. For example, when our customers come to part exchange a caravan, they want us to respect that they have cared for their vehicle – their prized possession!

They want you to acknowledge that perceived value. So, on our Quote Forms, we ask them to grade their own caravan out of ten, with a 10 meaning we can put it straight on show for retail, or work required at the other end of the scale. It's up to us to assess if their grading is accurate, but this whole process really works."

What have you learned from the demerger process, and where do you go from here?

DB: We've learnt to take good advice – be it from corporate financiers, tax planners or top legal teams. We've been

Who is...?

Darren Brown

Joint MD, Broad Lane Leisure, responsible for Alcester branch



Darren joined the family business in 1984 at 18, and went straight into the management of the Rugby site. He later moved to open and manage the two-acre Alcester site in 1991,

which today has a large indoor caravan showroom, a 6000sq ft accessory shop, refreshment facilities and superb 18-model awning display. Darren is married with two children.

Steve Brown

Joint MD, Broad Lane Leisure, responsible for Kenilworth branch



The elder of the brothers by two years, Steve joined the family business straight from university in 1982, and has managed the six-acre Kenilworth site since 1990, which has a

shop, awning department and 6-bay workshop. Steve is married with five children.

fortunate in our success, yet remain passionate, whilst normal. We have been around a very long time and will, I hope continue to be so.

Next, we'll take stock of where we are, watch the cash flow, and aim to do better what we have been doing for the past 40 years. These are exciting times because Steve and I are now completely in charge of our own destiny. We now employ about 60 staff and only we are responsible for them.

SB: We'll also employ a financial controller at Broad Lane. We want solid support of the accounts, finance, budgeting, and forecasts so we can concentrate on the true essence of our businesses. With a turnover of around £16 million, it demands someone watching the finances all the time.

DB: Our brand strategy will remain the same: 'Treat others as you wish to be treated yourself and business with a smile, it's always a pleasure at Broad Lane.'

Words: Rob Ganley, Pictures: Nick Wright

"Pat Howard said something at a recent NCC meeting, and it stuck with me: See the world through the eyes of the consumer and we will get it right. That's exactly what we try to do at Broad Lane Leisure."

