



**“We’re  
committed  
to long-term  
growth, not  
short-term  
profit and  
exit”**

The Auto-Sleepers Group is back in British hands, and its new owners Geoff Scott and Mike Crouch have plans to make the company a major force in the UK industry again. Rob Ganley meets the renaissance men



**O**n 18 June, Britain's well-loved motorhome brand returned to British ownership. The Auto-Sleepers Group, comprising the Willersey-based manufacturing arm Auto-Sleepers and Marquis Motorhomes – today the largest dealer network in the UK – underwent a management buyout from Italian parent company SEA, for an "undisclosed but not insubstantial" amount.

New owners Geoff Scott and Mike Crouch acquired 100 per cent of the shareholding and are equal partners. I met both men shortly after the official announcement at the Group's flagship dealer site, Marquis Northampton. They showed me round the state of the art facilities, comprising a huge glass-fronted showroom and multi-bay workshop, and despite turbulent trading times I found Geoff and Mike realistic yet brimming with enthusiasm and excitement at what prospects the future holds.

**How long had you been planning the management buyout (MBO)?**

**GS:** Close on nine months. SEA is the third largest motorhome group



Who is...?  
**Geoff Scott**

**Auto-Sleepers Group  
Chief Executive Officer**

Geoff Scott joined the Group in 2002 as Chief Financial Officer, and became CEO in 2008.

He has a background in the automotive sector for the past 19 years, having worked for Jaguar, TWR and MAN Truck & Bus.

Geoff is married with two children, and his hobbies include surfing.

in Europe, and it suffered significant losses during the economic downturn, forcing the company to refinance and restructure. In Italy it was decided that the Auto-Sleepers Group didn't fit with their forward business strategy and that it would be sold.

**Where did the funding for the MBO come from, and are there any other sleeping partners?**

**GS:** We're equal partners, and no other directors are involved in the business. We have a sleeping partner in Bridgepoint Capital. In August 2005 the Auto-Sleepers Group was acquired by SeA, and the major player here was Bridgepoint, which is a private equity house in London. In the 2005 acquisition, the shareholding went via Milan, which is the HQ of SeA. So although SEA became the parent group, it was Bridgepoint who were instrumental in acquiring the business. We were already significant shareholders in the business.

**How do your roles differ?**

**GS:** As MD of Marquis, Mike has headed up the retail business for some time now. While planning the MBO, we agreed that Mike's skills on the sales and marketing side, and on the operations side, would benefit the Auto-Sleepers manufacturing arm too. I will handle outside stakeholder relations, strategic reviews and finance reviews. So we're equal partners, but handle different aspects of the business.

**How have Auto-Sleepers and Marquis fared since they were last under private ownership?**

**MC:** The last time Marquis and Auto-Sleepers were privately owned was 2000, when they were bought by a private equity firm, forming the Auto-Sleepers Group. Marquis turnover by 2005 had doubled and the branches were enjoying the benefits of greater opportunities.

**GS:** There's further to go with the Auto-Sleeper brand than with the retail Marquis brand. We expect to report a small financial loss this year, but forecast a quick return to breakeven and a modest profit by the end of 2010.

But we're undergoing a real renaissance right now, and we'll be taking that forward. We are really proud of our level of aftercare and the company is planning something special for its 50th anniversary in 2011.

**How does the MBO affect motorhome production and retail in the short term?**

**GS:** The immediate future will bring a period of consolidation and review within both the manufacturing and retail arms of the company. The Group is in an extremely healthy position. Over the past year, the management and staff

have worked extremely hard to reduce debt, overheads and any excesses within the business, a process that is now complete.

**MC:** Marquis has refocused the trading policy in line with market forces, created an exceptional new website at [www.marquismotorhomes.co.uk](http://www.marquismotorhomes.co.uk) and introduced the industry leading standard for used motorhomes, AutoMarq, that offers a three-year warranty. Marquis has rigorously reviewed its stock holding and realigned to meet demand. This has helped keep stock fresh and generate cash for re-investment. Several Marquis branches have benefited from revamps. The crucial thing is, we're both committed to the long-term growth of the business

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and not short-term profit and exit.

**GS:** Auto-Sleepers boasts absolute zero unsold stock at their premises, with an extremely healthy dealer and customer advance order book to the year-end.

#### Will your product offerings change accordingly?

**GS:** We'll be streamlining our ranges, and embarking on a strategy that is not chasing ever-increasing volumes. The Willersey factory has a limited capability, so we'll be focusing on customer service and quality of product. We're mindful that the brand has been somewhat unloved over the last few years but we will not be squeezing huge volumes out of the factory. We are a niche player for those customers who want a quality product that represents value for money.

There are several new models planned for launch at both October and February NEC shows. Volume is not the key driver of the business. Steady and sustainable growth is most welcome, but quality of design, components, build and delivery is our primary objective.

Auto-Sleepers plan to expand upon the special vehicle operations sector at the factory, to broaden diversity of build. The core business will continue to manufacture a niche premium product. We see ourselves as a boutique-style converter.

#### Are you at a disadvantage now in terms of economies of scale/bulk buying of parts/supply deals?

**GS:** We'll have a limited working relationship with SEA, but there are lots of outside influences that effect pricing. The cost of materials and the exchange rate mean prices will go up, but we're

working hard to keep the Auto-Sleeper range exceptionally competitive. Quality is our key theme: price is important, but it's not the driving force.

#### How is managing in times of growth different to managing through difficult trading conditions?

**MC:** Conducting business in a recession is a great education. This is the third one I've experienced, but this one has been the most challenging. The last 12 months have been exceptional for the amount of effort we've had to put in for relatively small business rewards.

We've been battling on every front on the sales side, the supply side, and the finance side. There has been pressure on all sides of the business. To achieve what we have is a credit to all the staff at the Auto-Sleeper Group.

Three thousand components go into making a motorhome. Supplying factories have closed or gone to short term working, which has delayed receipt of many of the components needed to build our motorhomes. We've had these sort of issues not just by the month, or week, but almost hourly on a day-by-day basis.

But I really feel this is the start of a new era. We have one more challenging winter to go for ourselves and the industry but we are in a strong position and we'll get through that: we will emerge from this difficult period stronger and fitter. We're a lot slicker and leaner now that a lot of the excesses have been taken out.

And we're both much younger for the experience!

#### What are the benefits of being owner managers rather than reporting to a parent company?

**MC:** One real benefit is that we'll spend a lot less time on reporting, education and exchange of information. That was very much a one-way flow, and took up a lot of time on a daily basis. That daily exchange of information didn't add anything to running these businesses, and I won't miss boarding a plane to Italy on a regular basis.

That said, we'll be maintaining a limited working relationship with SEA.

#### How important is it that Britain's most famous motorhome brand, Auto-Sleepers, is back in British ownership?

**MC:** It's a source of great pride for our customers and for us that we add a lot of value to the UK economy. Also,



## Who is...? Mike Crouch

### Auto-Sleepers Group Managing Director

Mike Crouch is a Marquis lifer, and has played a major role in growing the business from one dealer site to the current total of 10 throughout the UK. "The only job I've ever done is working for Marquis Motorhomes," he cheerfully announced. "I joined as a kid before I left school and have been here since 1979. I've never had to write a CV."

He is also married, with 16-year-old twins.

people buy from people, and Marquis is the face of the Group, and we hope people will recognise the brand, what we're part of and what we represent. Buyers take comfort in the fact they can easily return to a UK location and have their motorhome serviced, and get quick access to spare parts. Being back in British hands reflects a long-term interest in the product.

#### What's the message for the rest of the industry?

**MC:** For the end customer, the motorhome buyer, it's business as usual. We are here for the long term and we will deliver a quality product at excellent value for money. In terms of the wider industry, we're in a unique position, in that the Auto-Sleepers Group is a competitor and/or customer of most of its suppliers in the UK. That's a difficult relationship to manage, for example, Marquis is a major customer of Swift on the retail side, but on the manufacturing side Auto-Sleepers is a direct competitor to a number of product ranges they offer. We are competitor, customer and supplier to virtually everybody in the industry. ○