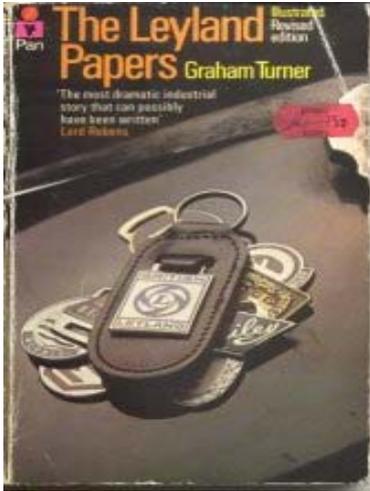


ADO 28

Chapter ELEVEN

First Fruit



by
improving them. The Minor was not perhaps an obvious candidate for facial surgery: first launched in 1948, it looked thoroughly old-fashioned and it was losing money. It did, however, have the advantage of being reliable and well-proved - its guarantee claims were running at a very low level. The BMC engineers, moreover, took the wistful view that the Minor could easily have become Britain's answer to the Volkswagen Beetle if its development had not been neglected. It occurred to Webster that it might be possible to take most of the Minor's mechanical parts (modifying them where necessary), put a new body around them and produce a simple, rugged, low-priced car which could compete very effectively with the Viva and Escort. Something like ten inches would have to be added to the wheelbase, but existing engines could be used - Webster at that time had in mind 1100, 1300 and 1500 versions - and at a price perhaps £20 above the Viva's, he felt it would be a very marketable proposition. The Fiat 124, he told the product planners in April 1968, would be a good general pattern for the car. Stokes liked the idea but pointed out that the ADO 28 -as it was code-named - would have to be ready in time for the 1970 Motor Show. A description of the 28's objectives, written early in May 1968, gives a clear idea of what the planners had in mind at that stage. The 28, it said, was intended to face up

to the increased competition in the 1100-1500 rear-wheel-drive market and it had to be styled in a way which bore in mind that ultra-compactness did not appear to be a selling feature whereas the impression of 'a lot of car for your money' did. It also had to take account of the main reasons for customer dissatisfaction and high warranty claims - bad paintwork, oil and water leaks, gear-box trouble and speedo faults. The 28's potential sales, after the initial build-up, were put at 6,000 a week, 300,000 a year and the development cost for the body and mechanical parts at £10.2m. Webster's idea did not work out quite as well as he had hoped. To begin with, he found that a good many of the Minor's parts were not at all suitable for the new model. The gear-box, which had been designed twenty-five years before, did not have synchromesh on first gear and the cost of modifying the Minor's transmission to provide it looked prohibitive. Webster therefore examined the possibility of importing Triumph's small-car gear-box and increasing production sufficiently to cover both the 28's and Triumph's needs. A comparison of costs showed that it would be cheaper to make the Triumph box in larger quantities at Longbridge than to fit extra synchromesh on the Minor, although the capital investment involved was marginally higher. It was therefore decided to install the Triumph unit, modified to include the Rover change mechanism. The same decision was taken on the rear axle and differential unit, although in this case it was slightly more expensive to produce the Triumph unit at Longbridge than to expand existing facilities.

Webster ran into similar difficulties on other components: they were either unsuitable or else the existing production capacity was too small for the high volumes which they had in mind. As its sales declined, the original Minor facilities had been cannibalized and converted to other uses and they could not simply be recommissioned. Nevertheless, the Minor provided a useful guide-line and a number of its parts - including the

front suspension and brakes (in a slightly up-dated form) - were transferred successfully enough to the 28.

Early in July, Roy Haynes - the ex-Ford stylist originally hired by Edwards - set down his views on how the car should be packaged. He noted that the target dimensions provided greater internal space than its likely competitors - the existing Escort and the new Viva which was expected from Vauxhall - and added that its styling must both anticipate the future trends of the American-owned companies and yet not be too unlike that of their current models. 'Any attempt to create an image radically different from the competition,' said Haynes, 'will destroy the opportunities which can be created to effect an immediate transfer of loyalty from the competitive brands.'

The two-door model, he went on, should be the 'high-style' leader and concentrate on attacking the under-35 market. It must be a really exciting car - sporting and yet not a sports model - practical and functional yet 'responsive to the ego pressures of society'. To be successful, it must throw off the British Leyland image of the conservative family car. In its interior styling, there ought to be no suggestion of 'ye olde walnut': it should be 'exotic and tending towards & 'wild" but tempered with a high degree of good taste' and it must reflect the visual standards of the young modern man and woman. The four-door model should concentrate on developing this high-style image, but would be the bigger seller and should therefore have the characteristics demanded by the family buyer and the fleet user. On 5 August 1968, Stokes and the executive policy committee went to the styling studio at Cowley to look at three suggested shapes for the new model. Haynes had submitted two- and four-door versions in grey, Farina (the Italian stylist, who had previously done work for BMC) two- and four-door versions in green and Michelotti (an Italian stylist who had worked for Triumph) a cream-coloured two-door. The committee vetoed the Farina offering because it

contained a good deal of glass and would therefore have been expensive to manufacture and decided that Haynes's entry should be accepted in a modified form and presented again later in the month. There were still, however, some senior executives who were clearly unhappy with the decision to give the 28 priority over a front-wheel drive replacement for the 1100-1300. In mid-August Stokes received a memorandum from one of the senior Pressed Steel directors containing a series of notes, which he said ought to be borne in mind when styling the 28. The first was that, in deciding to tackle this particular model, British Leyland was setting a collision course with the American companies. It was at an extreme disadvantage in doing so because it had no 'viable product platform' from which to launch a 'sub-Cortina type car' - that is to say, it had never attempted anything like it before. British Leyland, he added, was also running a considerable risk in suggesting to customers that it was proposing to abandon the front-wheel drive idea. The director's conclusion was that the company might do better to pour its energies into maintaining the commanding position it already held with the 1100-1300 range. Stokes and his marketing men did, indeed, face a difficult choice. Their studies showed that, while BM C had lost a good deal of potential business to the American companies, there was still a strong, built-in loyalty to 'British-style' cars such as the Mini and the 1100, which were thought to be more reliable than, the 'American' models. On the other hand, the studies also provided very powerful arguments for widening British Leyland's range. They showed that 75 per cent of the people who bought BM C cars went back to the same dealer when they changed models, and from this it might be deduced that they would continue to do so if offered a rear-wheel drive car. Stokes therefore discounted the Pressed Steel man's fears and rejected his advice. He made several other important decisions at about the same time. He agreed that the 28 should be made at Cowley and that, because the existing plant was old, difficult to operate and far too small if the new car was

to be assembled and trimmed in one location, there should be major new investment to transform Cowley into a modern body- manufacturing and assembly complex. He shortly approved the first stage of a plan, which involved spending £40m there within five years. Its aim was to reduce production and inter-factory transport costs by, amongst other things, creating facilities for all the 28 bodies to be made at Cowley, though the engine would still come from Longbridge: the cost of bringing a body from Swindon was roughly £2, compared with 50p for an engine imported from Longbridge. The first phase of the plan promised overall savings of £12 a car - £5 of it from the building of a new automated paint plant at Pressed Steel, which would reduce the number of workers involved by almost a third. Stokes also decided that planning for the 28 should go ahead on the basis that its weekly production would build up to 6,000 and that the price for the cheapest model in the range would be £575, before adding purchase tax. A two- door fastback should be developed for the 1970 Show, with a four-door notchback coming four to six months later. By this time, the overall cost of the new model was expected to be £16.7m. But ideas about the 28 were by now undergoing radical revision in the light of a new evaluation of market trends ordered by Stokes. Shanks reported that the biggest growth was going to come in the Cortina car size, but with a range of engine options between 1200cc and 2000cc, well beyond the 28's anticipated spread. He further said that the average car's engine size would increase more noticeably than its overall body size in the period up to 1973. This suggested that what would be needed was more power in cars of modest size, and the prediction was duly reflected in the planning of the 28. The policy committee agreed that it was already very close to the current Cortina and that it would provide British Leyland with an entrant in the fastest growing section, provided the engine options were adequate: they were particularly worried that the new model had no variant which would match the Cortina 1600E.

Their conclusion was that they should extend the 28's engine range and move well above the 1100-1500 bracket in order to match both the Cortina's more powerful variants and the new models which the committee knew were due to be launched by other manufacturers. 'We thought we'd have a distinct marketing advantage if we could out-perform them,' said Turnbull. Stokes thereupon asked Webster to make sure that the 28's engine compartment was large enough to take a whole range of engines bigger than the ones previously planned. Gradually Webster's original concept of the car was being modified and all the time its costs wore drifting upwards, partly because of the changes in specification and partly because there was no elective machinery for controlling them. As Webster said, 'in those early days we had no idea what the precise costs were'. As early as September 1968, Barber was complaining that the projected profitability of ADO 28 was not fully spelt out in the planning documents. Stokes replied that the decision to produce the 28 had been taken and the detailed financial implications would be worked out later. By the end of December, however, the finance staff at Longbridge was reporting that rising costs had cut the expected profit on the 28 to only £10, which they said was very far from acceptable. Turnbull took the line that a full recovery of overheads plus a corporate profit of £25 would be acceptable, but that the retail price must not be pushed above £580 in achieving it.

Unfortunately his words were in vain: by the following February, Boardman was reporting that the 28's current cost schedule indicated a negligible profit. Turnbull again insisted that costs must be taken out of the car rather than increasing its price but in June; Boardman predicted that if the 28 was put on the market at the price suggested by Turnbull (£580) it would make a loss on each sale. If, on the other hand, the price of the cheapest model was increased to £620, it would bring in a modest profit. Filmer Paradise, an American who had run British Leyland Europe before becoming the Austin-Morris

sales director, remarked that his department was expecting Ford to hold its new Cortina (which eventually it appeared in 1970) at £620, but this was no particular comfort since the 28 was not as large as the Cortina. The news that the 28 would probably lose money at £580 seems, indeed, to have alarmed Turnbull considerably. He said they should urgently carry out a cost reduction exercise and asked Boardman and the then Austin-Morris director of planning, Geoffrey Rose, to provide a detailed picture of cost movements at their next meeting. Rose replied that the high-cost areas were the 28's two-piece propeller shaft, its trim and its steering equipment. At the next meeting, the engineers duly reported that cost reduction proposals were in hand and confirmed that the 28 range would consist of three basic models, 1300, 1500 and 1750 GT. By this time, however, there was a great deal of anxiety about the upward drift of costs and North and Bacchus were appointed to help check it. In October, Boardman told the planning committee that North would present a cost status report on the new model every month; the 28's target was to be a £150 contribution towards overheads and profit. Boardman also pressed for a price increase to £620 on the cheapest model in the range. This was turned down but the committee agreed that the £600 by then enshrined in the programme could be further raised by £16, the amount by which Ford had just increased the price of the Cortina. The overall cost of the 28 programme had also risen again, to £21m. Meanwhile the planners had been struggling with the less expensive problem of finding a name for the 28. Webster suggested a numerical digital title, like 230 SL, but most people were inclined to look for something alliterative with Morris. Barber favoured Monaco, the styling studio men proposed Machete (not a brilliant offering in view of the outcry about safety which was going on at the time) and other suggestions included Mamba, Maori, Matelo and Musketeer. Eventually a short list emerged - Major, Mirage, Mistral and Marina - and the world copyright situation on all four was investigated. Marina, easily the most popular when the

list was voted on, had one question mark over - it was the name under which the 1100-1300 sold in Denmark - but it was nevertheless chosen for both two- and four-door versions. By the end of 1969 it had been decided that both versions should be launched at the same time and that the range should initially consist of two, and not three, engine sizes: 1300, 1800 and 1800 GT. 'WE made up our minds we didn't want so much proliferation in engines,' said Turnbull, 'but we did want to be able to provide plenty of trim options.' At about the same time, the marketing men were summing up the Marina's objectives and the obstacles it would have to overcome in a document, which showed just how far the new model had come from its beginnings as a simple, rugged competitor for the Viva and Escort. The Marina, it said, was intended to fill the gap between the 1100-1300s and the new 1750-2500 models which were being planned, to attract business from competitors in the top half of the 1100-1600 range, to appeal to customers who bought cars on grounds of modern performance and styling and to provide a real Austin-Morris competitor in the fleet and business market (as one of the marketers remarked, 'it's got a boot like a houseboat'). The 1300 Marina would aim at the Escort, the Viva and the Avenger: the 1800 at the Cortina and the larger Vivas. The two-door fastback was slightly larger than the Escort but slightly smaller than the Cortina, while the four-door notchback was marginally longer than Viva but, again, shorter than the equivalent Cortina. The cars' interior dimensions were also fairly close to their Cortina equivalents. The marketing men underlined the crucial importance of the Marina in the Corporation's overall strategy. On the domestic front, they said, the re-establishment of British Leyland's leading position depended heavily on the success of the new model, which they expected to capture 9 per cent of the market in its first full year and 11 per cent by 1973-4. Their only note of caution was that this would be the first time that the company had launched a volume car through half its retail network - and the smaller half at that, since sales through Morris outlets were (and still

are) slightly below those through Austin. (The separation is not, in fact, as important as it might appear since Morris distributors are often also Austin dealers and, in any case, the two can easily sell cars to each other.) In export markets, the salesmen were hoping that the Marina would prove to be a major weapon in strengthening British Leyland's penetration of Europe. The Corporation, they pointed out, was living very largely off the Mini (it accounted for 70 per cent of its sales on the Continent) and the Mini was not an effective base from which to attract the best dealers with its low profitability, the increased competition it faced and the fact that small cars were not a growing proportion of the European market. The engineering of the Marina did not prove anything like so troublesome as fixing its niche in the market. The 1800 had to be given a different engine mounting to the 1300 and the rear quarters of the two-door model were slightly restyled, but otherwise there were no significant changes. By the spring of 1970 pre-production models disguised with strips of plastic and paper and with Essex registration numbers (Ford apparently returns the compliment by registering its prototype new models in the Midlands) were being tested on the MI and machine tools for the mass-production models were ready at Pressed Steel. Full production was delayed, though not disastrously, by a major wage dispute at Cowley but, once it was settled, Marinas began pouring from the assembly lines. Thus the story of the first high-volume model from the British Leyland stable was not, like that of the first Cortina, a fairy tale of clockwork planning: intended to compete with the Escort, it ended by tackling the Cortina. What was impressive about the way in which it developed, however, was a growing sense that its costs were coming under control and that it was - in the final analysis - the car which the planners wanted and not the car which an out-of-control production machine had delivered to them.