



LIFE AFTER

Richard Barnett visits Leicestershire - based concern XPart to see how they are meeting with the demands of independent garages and workshops.



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MG ROVER

WITH a comprehensive all-makes parts offering and the establishment of a service centre network, XPart is a major force in the UK aftermarket today.

The Leicestershire-based concern, which is part of Caterpillar Logistics Services UK Services UK, has cut through the torrid fallout following the collapse of car-making giant MG Rover, and built a reputation not only for keeping those cars on the road, but giving independent workshops an alternative components supply.

But while many aftermarket and workshop staff might have heard of XPart, it's unlikely they know just

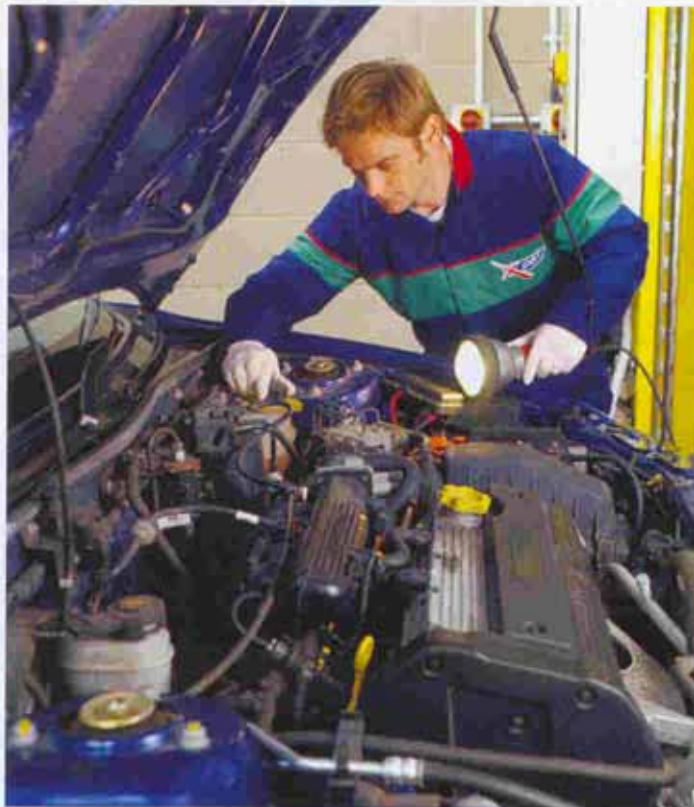
how much work the company's staff have put in to develop the business. Today it's strengthening its links with Chinese car-maker Nanjing Automobile Corporation, which bought the assets (tooling and production lines) to continue production of the once fiercely independent VM.

But how did XPart come about? "It evolved in 2002 from the parts business of MG Rover, with Caterpillar as a logistics service provider, which continued until CAT bought the business in August 2004 from the MG Rover owners, and that meant we moved from a client /service provider relationship into a fully consolidated business," says

materials director, Neil Hipkiss. "Then, in April 2005, MG Rover production stopped, and the administrators wouldn't let us in to Longbridge to continue parts production or purchase the stock. However, we knew we had to keep MG Rovers on the road."

Not long after the company collapsed many MG Rover drivers were fed scare stories of parts not being available – tabloid motoring pages were especially guilty – and as a result the car's values plummeted overnight.

XPart, however, saw the opportunity to keep those cars on the road because they had a large and loyal following. The last time any



UK motorists had been left high and dry was when Lancia pulled out following the rust problems that affected its Beta model, but the MG Rover car parc was considerably larger – SMMT figures show there are still around 1,500,000 MG Rovers on the UK's roads, and at the time those cars presented XPart with a strong business proposition.

"Luckily one supplier became our business partner: with Stadco, which manufactured the MG TF bodies, we developed a joint agreement to create interim panel assembly, because while the cars' residual values were showing signs of recovery, there was the risk of no panel availability. We didn't have any CAD data, assembly tooling or the process information that was used by the VM to show how panels were assembled," Hipkiss says.

With the tooling removed from Longbridge and on the boat to China, XPart and Stadco had to go through the painstaking tasks of reverse-engineering, where they went through the whole process of re-tooling. Hipkiss again: "We had to start from scratch, including the design of the tools which were used to make the panel assemblies. Those panels had to be right, and to OE specification and quality, but we've made 200,000 panels since MG Rover went under."

Today Nanjing Automobile Corporation is working with XPart, and supplying OE quality panels from China to supplement XPart's offering as well as increasing quantities of parts in other commodity groups.

Sourcing suppliers to meet that component demand was tricky,

and Jon Beardmore, material availability manager, says several parts were identified as being in great demand, but weren't available. "After MG Rover collapsed we had a bridging buy deal, but we weren't sure how long that would last. The supply chain had disintegrated to a great extent. We knew there were some components in short supply, and that was the case with Rover 75 headlamp assemblies. NAC had taken the tools to China, but we had an assembler in Oxfordshire who could make them," Beardmore says.

The tools were traced to China, component production started and child parts were brought back to the UK, where R75 headlamp unit production (for both pre-facelift and facelift models) was re-started. XPart has also recommenced Rover 75 fan motor production – a unit made from parts supplied by eight suppliers based in, among other countries, Portugal, Mexico and Germany.

Meanwhile XPart was also looking at giving former MG Rover dealers a lifeline. While some of them had taken on other franchises, some still had an attachment to MG Rover and its products, and the solution would be for them to become independent specialists. The result was the creation of XPart AutoService Centres, as Don Lindsay, service marketing manager, explains. "After MG Rover went down we looked at ways of improving customer retention and increase service revenue, and encourage them to be more competitive in a wider service market."

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As an XPart AutoService Centre, that business enjoys diagnostic and technical support, as well as marketing assistance. "We have a technical helpdesk at Omitec and here at Deford, while all relevant manuals and technical bulletins have been copyright protected and repackaged. There's a technical forum as well, which allows technicians to post information, and that gives them more involvement. We're getting more experience on the cars than MG Rover franchised dealers ever did because they're putting on the miles. What's more, former MG Rover dealers will be able to look after the cars through to the normal change cycle," Lindsay says.

XPart offers its AutoService Centres (such as Signature Automotive, profiled last year in *Garage and MoT Professional*) marketing support – including signage – as well as PR material and advertisements, a bi-monthly newsletter and a business-to-business extranet, all of which are designed to generate more business. Says Lindsay: "We aim for them to retain MG Rover car parc business, but increase all-makes servicing at the same time. Looking to the future we're looking to add more specialist models, such as the BMW Mini, which is now falling out of the franchised dealer network."

It's a scheme which, as well as being profitable for XPart parent Caterpillar, has given reassurance to MG Rover owners who were sometimes led to believe their cars were unwanted and washed-up, parts-wise.



But keeping an eye on the aftermarket, XPart introduced its all-makes parts programme, and has unashamedly chosen Tier One suppliers, including TRW and Dayco as part of its offering. "Our aim was to provide a competitive total aftermarket proposition to the trade through our all-makes distributors," says product development and purchasing manager, Gary Logan. "We chose proprietary brands because the trade knows them and there's a high level of



AT-A-GLANCE



- Caterpillar Logistics employs some 1,800 staff at its 200,000 sq m warehouse and UK head office facility in Leicestershire
- Since MG Rover's demise in April 2005, XPart has supplied more than 200,000 body panels across the MG Rover range
- The company has invested several £million in tooling to fill the void left when the origi-

nal production equipment was moved to China

- XPart's AutoService centre network currently includes more than 240 garages across the UK, and the number is still growing
- Specialist modules such as BMW Mini, help XPart's AutoService centres take advantage of wide all-makes servicing opportunities

quality assurance. The range is supported by an electronic catalogue that lists 34,000 parts. Users can log in to select parts and there's a VRM look-up facility too."

The catalogue also includes a quotation system, which enables garages to provide motorists with a specific price to carry out a job, based on labour rates and the time to do the work.

XPart's all-makes programme

is the latest development from a concern that quite easily could have thrown in the towel when MG Rover ceased car-making. Now it's one of the key players in the UK aftermarket, with a programme that meets the demands not just of MG Rover owners, but independent workshops as well. If industry pundits wanted proof that there is life after MG Rover, this is most definitely it.