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Raleigh UK in the Last Quarter of the 20th Century

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Raleigh UK, once the world's biggest manufacturer of cycles, recently stopped volume production of bicycle frames. This paper examines how, in the period from 1975 to 1999, Raleigh adapted to changes in customer taste, developments in marketing, technological advances, and competition. The conclusion assesses how well Raleigh performed and sets this in context.

Background

Frank Bowden, a successful lawyer and convert to cycling, founded the Raleigh Cycle Company in 1888. By the early 1920s, Raleigh was a world leader. In 1951, Raleigh produced more than a million cycles, most of which were exported. During the 1950s, Raleigh acquired two major rival groups: Triumph & Three Spires, and B.S.A. In 1960, Raleigh itself was bought by Tube Investments (TI), and given control of TI's British Cycle Corporation. TI-Raleigh then had 75% of the United Kingdom market.[1]

Unfortunately, it was a market that was rapidly shrinking, and Raleigh needed to increase volume sales.[2] In 1960, a licensing agreement was drawn up allowing Raleigh to make the new, small-wheeled bicycle invented by Alex Moulton. At the last moment, Raleigh imposed a moratorium. Moulton therefore built his own factory and launched his bicycle in 1963. It was an immediate success and helped arrest the post-war decline in United Kingdom cycle sales. Raleigh, however, enjoyed little benefit and since the TI take-over, had seen its own sales drop by 49%. Meanwhile, other cycle makers were introducing small-wheelers to cash in on the Moulton boom. Therefore, in 1965, Raleigh launched its own small-wheeler, the RSW16. By 1967, despite a 40% increase in sales since the introduction of the RSW16, Raleigh's profits had declined and Moulton was losing money unsustainably. Therefore, in July 1967, Moulton Bicycles Limited sold out to Raleigh.

In 1968, Raleigh introduced the Raleigh Twenty (R20). This small-wheeler was destined to become a best-seller, remaining in production for some 16

years. The following year, responding to the American trend towards high-rise cycles for adolescents, Raleigh launched the "Chopper" in the USA. It was too expensive and too late for the American market, but the following year it was released in the United Kingdom, where it was hugely successful. It more than doubled the price point for toy bicycles. In the United States, between 1970 and 1972, demand for lightweight ten-speed cycles increased forty-fold. Raleigh ten-speeds, based on Carlton designs, sold there in massive numbers. In 1974, Raleigh invoked the break clause in their agreement with Alex Moulton and stopped making his cycles. The company also retired the RSW16 and concentrated all small-wheel production on the R20.

In 1975, although market share was beginning to decline slightly, Raleigh enjoyed record United Kingdom sales of 599,000 units. This was also the year in which the UK bicycle industry's sales for the first time exceeded the 1950 level. Overseas, Raleigh was also doing well. In the Netherlands, not only was it selling 50,000 bicycles a year under its own name, but it owned Gazelle, the leading Dutch manufacturer, which was selling a further 250,000. Raleigh's Canadian factory had recently doubled in size to produce 150,000 units a year. In the United States, there was a new factory in Oklahoma, supported by a network of large, modern warehouses in New Jersey, Massachusetts, Illinois, California and Oklahoma. Also, significantly, Raleigh still benefitted from Britain's imperial heritage, with huge sales of black, 28 in. wheel roadsters in former colonial territories, particularly in Africa. The company had recently opened a new factory in Nigeria, where Raleigh was selling some 200,000 cycles a year. Producing large numbers of old-fashioned roadsters was what Raleigh did most profitably.

Products 1975–1999

Total annual sales of bicycles in the United Kingdom during the last quarter of the 20th century rose dramatically, from around 1.1 million to 2.7 million. Sales were flat initially, rose steeply in the late 1970s and early 1980s, dipped somewhat in the mid 1980s, then grew until the end of the century. Raleigh's sales during the same period were flat rather than steeply increasing. In broad terms, the company started and ended the period selling about ½ million bicycles annually, and during the middle of the period was selling about ¾ million. Raleigh's good and bad years tended to reflect those of the industry as a whole, but during the whole period the company was steadily losing market share, down from 54% to around 20%. Much of this loss of market share is ascribable to competition from imports. In 1970, only 4% of bicycles sold in the United Kingdom were imported. Ten years later imports had taken 40% of the market. In 1987, imports overtook domestic sales and thereafter continued to take an ever greater share.

Products under TI

In respect of Raleigh's marketing during the period under review, the dominant personality was Yvonne Rix, who joined Raleigh in 1962 as secretary to chief designer Alan Oakley. When Oakley moved from

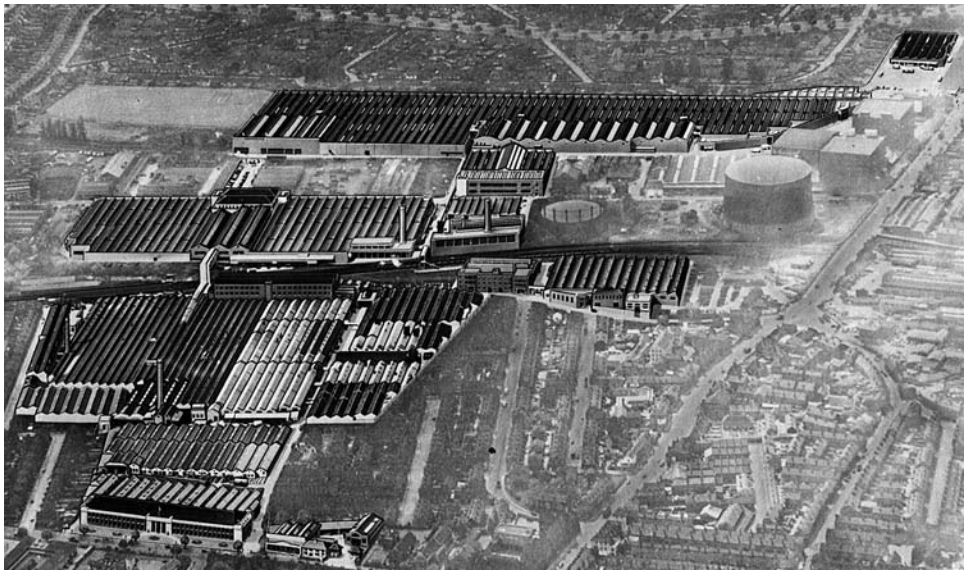

Fig. 0901.The Raleigh factory complex in Nottingham at its peak. Source: Raleigh-Diamondback

design to marketing, Rix went with him and became product manager in 1975.

At this time, the R20 and its derivatives were still selling well. From the mid-1970s, production gradually declined, but continued well into the 1980s. A replacement for the "Chopper," the "Grifter," was launched in June 1976. It resembled a BMX bike with fenders and a 3-speed hub. As "Chopper" sales declined, the "Grifter" was presented as its natural successor and sold well. These models already existed when Yvonne Rix became product manager. Following her appointment, she noticed older teenagers in England riding conventional cycles fitted with dirt track racing handlebars and sorbo protective padding. This led her to instigate the "Bomber," which somewhat resembled an early mountain bike. To achieve the desired image and line while minimizing the need for retooling, the front end came from a bicycle already in the range and the back end from a Nigerian roadster.

Raleigh was very late into BMX. The board was reluctant to introduce single-speed stripped down junior machines, as there was less profit compared with the "Grifter," especially for Sturmey-Archer. They hoped BMX would be a passing fad. It was not and there were consequently high level sackings. Yvonne Rix was sent on a research trip to the United States and came back with the "Burner" range, which was launched in 1982 and rapidly sold over a million units. This had a major impact on Raleigh's overall United Kingdom sales: in 1983, they were up 57% on 1981. The "Bomber" and "Burner" also temporarily helped arrest Raleigh's declining market share. In 1980, this had slipped to 31%, but by 1982, Raleigh had regained half the UK market.

Yvonne Rix formed the view that MTBs would eventually come down from the hills and onto the streets. However, it took her several years to convince the board that a move into mountain bike production made sense. Finally, in spring 1985, Raleigh launched "Maverick," its first range of MTBs, although initial sales were disappointing.

Rix believed that Raleigh needed "totally creative, stylish images and fantastic looking bicycles that people want to buy." Evidence of this approach is particularly strong in her marketing towards women. The "Wisp" was a Rix concept bike, with a mixte frame finished in pale blue with dark blue flashes and matching handlebar tape and saddle, both finished in blue suede. Launched in 1983, it sold 50,000 in the first year. With the Raleigh Collection, comprising the "Wisp," "Cameo" and "Misty" models, a public relations company was used to present bicycles in the manner of a fashion clothing collection.

In 1986, Raleigh launched an innovative range of children's cycles with applied black plastic moldings and electronic sound generators. These bikes were developed using ideas piloted in the less successful "Vektar."

Products Under Derby

Despite all these marketing initiatives, business was not going well for Sturmey-Archer, Raleigh's hub gear division. In 1982, S-A made 400 workers redundant. By 1985, Raleigh itself was suffering badly, as BMX rapidly died and MTBs failed to catch on. By 1986, sales were 38% down on the 1983 peak. TI decided to sell the company and, in April 1987, Derby International bought it.

TI's 27-year ownership of Raleigh had seen market share drop from 75% to 36%. Under TI, Raleigh was smothered: it was a relatively small division unable to make important decisions without reference to higher authority. There was a feeling within Raleigh that its bosses were not really in charge.

Derby, Raleigh's new owner, was a private company founded by Edward Gottesman, an Anglo-American tax lawyer. It was perhaps fitting that, a century after an entrepreneurial cyclist lawyer founded Raleigh, another should head the company purchasing it. When Derby took over, a whole layer of Raleigh management was removed at a stroke. For the doers who remained, it was a liberating experience. In 1988, Yvonne Rix was appointed marketing director, with a seat on the Raleigh board.

Derby initially acquired not only the Nottingham operation, including Sturmey-Archer, but also Raleigh's operations in the Netherlands (including Gazelle), South Africa, Canada, Australia and the Irish Republic. Subsequently they bought other companies, including Raleigh America (which TI had sold to Huffy) and the German Kalkhoff company, now the main Raleigh outlet in Germany.

No sooner had Derby acquired Raleigh than mountain biking in the UK finally took off. Raleigh's UK sales increased for the next four years running and by 1990 were 31% up on 1986. The move to profitability surprised many and confounded the widely held view that Derby was only interested in asset stripping. However, after four very good years, most people who wanted a first generation Raleigh mountain bike, had one. Consequently, in 1991,

Raleigh's total UK sales dropped by 16%, a level at which they were to remain for five years.

The idea of a folding bicycle appealed to Yvonne Rix, but the volume market was shrinking and tended to be dominated by cheap 20 in. wheel imported machines with little profit margin. Raleigh produced a similar machine, but this was dropped about 1989. In that year Raleigh started selling the 26 in. wheel U.S.-designed Montague Bi-frame. It was sold as a Rudge, because the philosophy was, "If it's not made in Nottingham, it's not a Raleigh." However, the Bi-frame was relatively expensive and dealers found it difficult to promote the fact that it folded. Sales were poor and it was dropped early in the 1990s. Thereafter Raleigh steered clear of folding cycles until the late 1990s, when it briefly marketed a Rudge-branded 20 in. wheel Dahon.

Yvonne Rix had anticipated that a replacement for the basic mountain bike would be needed. She reasoned that customers would want to progress from the relatively heavy but comfortable MTB to something slimmer and lighter. Therefore, she proposed a machine that retained the good braking, wide-ratio gears and other MTB advantages, but with thinner frame tubes and tires that were a compromise between the knobbly, wide-section, mountain bike tire and the lightly treaded, narrow-section, racing bike tire. In effect, she devised what is known in the UK as the hybrid. Launched in 1991, just as MTB sales dropped away, the "Pioneer" range was promoted heavily and initially sold well.

There remained a need to extend the product life of the MTB, especially for younger customers. In the United States, interest was growing in suspension for mountain bikes. Therefore, adding suspension to a Raleigh MTB seemed a good way of boosting interest and sales. Hence, the very successful "Activator" was created, a budget MTB with a simple Raleigh-designed telescopic front fork. Launched in 1992, it was advertised effectively on TV. The following year saw the introduction of "Activator II," a dual suspension version.

Whereas the "Activators" were essentially budget MTBs with inexpensive suspension designed in-house, Raleigh recognized that the other end of the mountain bike market needed nurturing. Hence the Raleigh sub-brand M-Trax was developed, offering high-quality MTBs. Both in marketing and product development, M-Trax benefitted from the successes of the Raleigh Mountain Bike team, which Rix instigated in 1989.

At the MTB entry level, further development was also needed to sustain interest and market share. Yvonne Rix had recognized the sales potential of MTBs with oversize aluminium tubing, which some competitors were introducing. However, Raleigh had no in-house aluminium frame-building facilities and did not want to buy in frames. At the Harrogate cycle show in 1993, Rix concluded that the appeal of oversize tubes to younger customers was primarily visual. Raleigh was able to handle wider but thinner-walled steel tubes and hence the "Max" range was born. Launched in 1995, the bicycles were advertised on

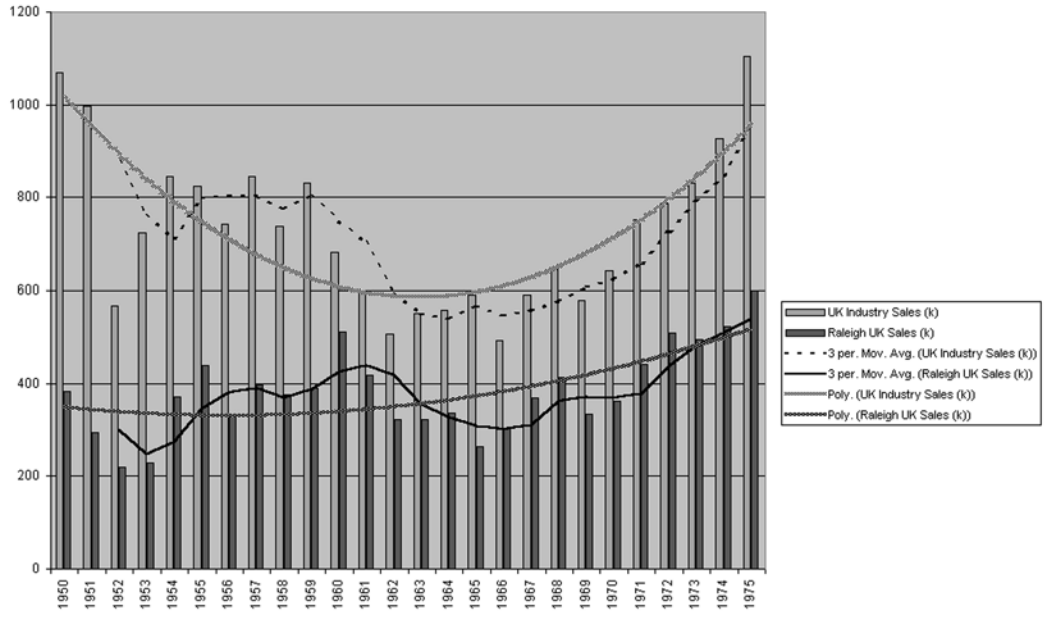

Fig. 0902. Cycle sales in the UK, 1950–1975. The polynomial curves show the big picture; the three-year moving-average curves show greater detail, while damping out the effects of short-term variations. Based on data supplied by Raleigh-Diamondback.

TV as "oversized but not overweight." The range was hugely successful for some four years.

For a long time, Raleigh supported Sturmey-Archer by fitting an AW 3-speed hub in the entry-level model of every Raleigh range. There was, however, an image problem with the product and a derailleur was a cheaper, more fashionable alternative. Moreover, Raleigh sometimes paid more for Sturmey-Archer products than did competitors. Under Derby, there was no special favoring by Raleigh of Sturmey-Archer products. Sturmey-Archer was, however, permitted to re-engineer many of its hubs and was finally allowed to manufacture a 7-speed hub. Sadly, this was only after its main rivals had already introduced 7-speeds.

In 1998, Yvonne Rix retired as marketing director. The last innovation she introduced was the "Select" electric bike. This had a proportional power control system that automatically monitored and matched the rider's energy input, switching-in electric assistance only when required. Raleigh was the first major British manufacturer to offer an electric bike. Unfortunately, it was too early and too expensive to have much impact on sales, and was dropped by Rix's successor.

After Yvonne Rix retired in 1998, her successor appointed a new advertising agency and instigated a change of corporate image. Sales had been falling at about 8% per annum for the previous two years but in 1998 they plunged 29% to 405,000, the lowest since 1970. Market share was down from 21 to 15%, probably the lowest in a hundred years. At the time of writing, figures for 1999 were not available, but early indications suggested a recovery to approximately 1997 levels.

High-End Products

On behalf of Raleigh, Carlton Cycles provided for the demands of the serious competitive cyclist. However, as Carlton was for the most part run autonomously, its success was seen as diluting the Raleigh brand and therefore the Carlton brand was killed off. Production was transferred to a new lightweight department at Nottingham. Initially the products were lackluster: high specification tubing, but with mass production geometry and mid-range equipment. Nonetheless, the Nottingham-made product did eventually improve and the *International Cycling Guide 1983* selected the off-the-peg Raleigh "Team Replica" as one of its bicycles of the year.

The demise of the European team in the early 1980s led to the closure of Ilkeston but resulted in Gerald O'Donovan and Melvyn Cresswell teaming up on product development at what became known as Special Products Division. Cresswell had recently designed and launched the "Randonneur" tourer. Although Raleigh's most expensive complete bicycle, it was an instant success. The "Randonneur" proved that Raleigh could still sell a high-end product if it was thoughtfully designed and manufactured.

The small team gathered together at Special Products built on this success. They produced many viable new bikes, which sold well. Derby initially encouraged this development work and Ed Gottesman was particularly supportive. However, after 1990 support waned. Despite pioneering work on thermal bonding technology (DynaTech) and frame manufacture using titanium and metal matrix composites, the Raleigh board was unsure how to make use of the Special Products Department. Should it be required to make a profit? Should it be a development overhead? Was it a marketing tool and hence part of marketing costs? Despite being autonomous, Special Products had to contribute disproportionately to corporate IT costs, human resources department costs and even the running of directors' cars! Meanwhile the sales department had little interest in Special Products and was so tied to the Raleigh 5-star dealer network that access was denied to quality independent dealers capable of selling the product. A decline in the influence of Special Products was therefore inevitable.

Raleigh always has been and remains primarily about mass-production. The brand philosophy also dictates that Raleigh must make the best end of the bicycles sold in volume. Therefore, if Raleigh sells mountain bikes, it must make the top niche Raleigh MTBs. Consequently, Special Products development unit now makes MTBs for the Raleigh team, whose mission is "to demonstrate that Raleigh make the best mountain bikes in the world." This is not particularly profitable in its own right, but is worthwhile because of the brand enhancement when selling ordinary bicycles.

Marketing

For many years, Raleigh's design department was all-powerful. By about 1980, however, marketing had become pre-eminent. This reflected the view in Raleigh that designs involving significant technological change could not be profitable. Therefore, it was

considered better to concentrate on concepts involving technologies already mastered, or easily bought in.

The marketing director was on the main Raleigh board. Reporting to the marketing director were the product managers, concept design team and marketing services team. The concept design developed the product image, whereas marketing services dealt with advertising, point of sale support, promotional events and public relations. The total number of staff involved fluctuated between about a dozen and twenty.

Market research indicated that the Raleigh brand was widely seen in Britain as trustworthy, family-oriented, comfortable, friendly, strong, sturdy and reliable. This was fine for selling family and children's cycles, but not for racing bikes. Thus, when Carlton was phased out and lightweight production moved to Nottingham, Raleigh sponsored a racing team, supported by TV advertising. With its emphasis on speed and lightness, this embellished the popular view of Raleigh, whilst leaving intact the existing strengths.

BMX fitted better with traditional Raleigh brand strengths. Perceptions of sturdiness, reliability, dependability and strength also served the marketing of low and mid-range MTBs well. However, they were not a good fit for upmarket MTBs. These needed to be American and sexy, the perception being that all the best mountain bikes came from the United States. Therefore, the slogan, "Designed in Raleigh America, built in Nottingham, England," was adopted for the "Max" range.

In the 1970s and early 1980s, formerly independent sub-brands acquired by Raleigh, such as Phillips, Hercules and BSA, were used for mail order sales and certain other outlets. The idea was that for a "real" Raleigh, you had to go to a Raleigh dealer. However, Yvonne Rix formed the view that the Kellogg's and Nescafé approach — "we don't make for anyone else" — was better. The policy of using a non-Raleigh brand for Raleigh products not made at Nottingham was a different matter. It continued until 2000, when frame production at Nottingham ceased. All sub-brands developed in-house and built at Nottingham, were prefixed Raleigh, for example, Raleigh "Max."

In 1999, Derby acquired Diamondback's British interests. Diamondback's brand strengths were suggestive of youth, aggression and zaniness and were seen as complimentary to Raleigh's more traditional family-oriented image. Hence, in Britain, Raleigh now trades as Raleigh-Diamondback.

Advertising

For much of this period, Raleigh's advertising tended to be print-oriented. Point-of-sale posters were used, and there was considerable deployment of posters in public places, such as outside school playgrounds, swimming pools and shopping precincts. Magazine advertising was used as appropriate to the target market.

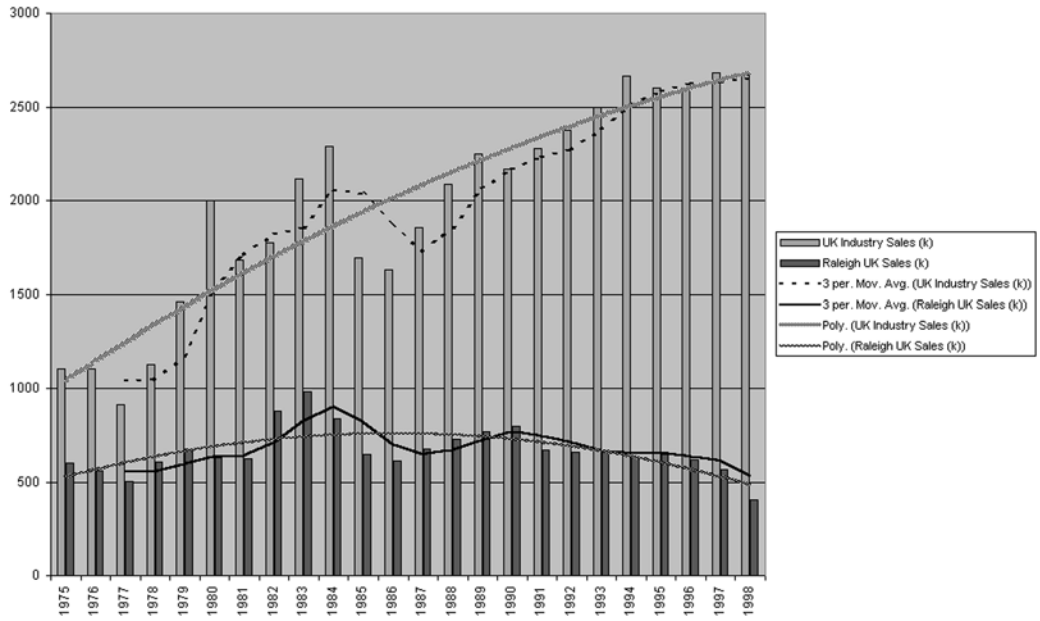

Fig. 0903. Cycle sales in the UK 1975–1999. Based on data supplied by Raleigh-Diamondback.

Following the "Activator" launch (1992), Yvonne Rix initiated a campaign to raise awareness of the Raleigh brand, rather than focusing on a particular model. Via TV advertising, it featured an animated version of the Raleigh heron's head motif, which became known as "Little Bird." Criticized initially as being childish, it crossed over to adults watching TV with their children, and proved an effective campaign.

TV advertising in Britain typically costs about £1m per campaign. Raleigh therefore carefully targeted their advertisements, using cheaper times of year, such as the summer holidays. A high proportion of adults watching TV at these times does so with children — a well-targeted captive audience. Hence, the "Activator" and "Max" ranges were launched in June and advertised on TV in August. This got the "word on the street" early, built dealer confidence and made factory scheduling easier for the sales that resulted in the build-up to Christmas. Raleigh used TV advertising for about five years from the "Activator" launch until 1997, but has used the medium very little since then.

Sports Sponsorship

There was a long tradition of sports sponsorship in Raleigh, traceable to the days of its founder. Raleigh backed a European-based road-racing team through the late 1970s and early 1980s. It enjoyed great success, including team wins in the Tour de France in 1977 and 1983. Raleigh also built the bicycle ridden to victory in the Tour by Joop Zoetemelk, who rode for TI-Raleigh Creda in 1980 — the only British-built Tour winner in the race's history. However, there was a feeling in Raleigh's marketing department that, because of the lack of TV coverage, road racing had failed to capture the public imagination. Moreover, Raleigh considered that the racing organization in Britain was indifferent and even antipathetic towards commercialism. These perceptions all contributed to Raleigh dropping its road team. Another major factor was that road bicycle sales had become very small relative to sales of mountain bikes.

A few years later, with the need to maintain interest in and support sales of mountain bikes, Raleigh again saw justification for a sponsored team. Mountain biking was seen as more of a spectator sport than road racing, and therefore a better promotional opportunity. Consequently, the Raleigh MTB team was launched in 1989 and continues today. It has been involved in junior, women's, cross-country and downhill racing. Raleigh considers it important that its team truck and mechanics are seen at major events. The company also has a BMX team and employs a stunt rider.

Production Facilities

In 1975, Raleigh occupied some 75 acres (30 hectares) at Nottingham. By the end of 1999, this was down to 22 acres (9 hectares), all of which has now been sold. Contraction had begun under TI, as Raleigh ceased to make virtually all components, other than Sturmey-Archer's range of hubs and Brooks saddles. By the mid-1990s, Raleigh was a much smaller, very compact and efficient operation, using computer numeric controlled laser-cutting and automatic welding to produce cycle frames, then finishing them and fitting them with bought-in components. The work force had shrunk from a peak of 7,000 in the 1950s to about 700.

In May 1999, Raleigh announced its intention to cease volume production of frames in Britain, and seven months later auctioned its frame-making equipment. In January 2000, Raleigh revealed that it was selling the remains of its site to Nottingham University. The company was looking for a former industrial site near the city for its operations. In summer 2000, Derby sold Sturmey-Archer.

To understand the recent changes at Nottingham, it is necessary to widen our focus from Raleigh UK to the whole Derby operation. Originally formed in 1986 to acquire various Raleigh companies from TI, it subsequently acquired Raleigh America, Kalkhoff, Nishiki, Univega, Haro, Cycle Pro, and late in 1999, Diamondback UK. By 1992, Derby was the largest cycle group in the world. In 1998, sales turnover was $465m. The company is now known as The Derby Cycle Corporation and is based in the United States, at Kent in the state of Washington. It remains a private company, 65% owned by Thayer Capital Partners and 13% owned by Perseus Capital. It manufactures in five countries and plans to expand through acquisitions in the United States and Europe, and by diversifying into accessories and clothing. It holds the leading market share in the UK, Ireland, Netherlands and Canada, and is a major player in the U.S.[4]

The view within Derby is that being a single country-oriented company is no longer tenable. You must be a global company or die: a global company that makes what the market needs, that obtains materials and components from the most viable

world-wide sources, and markets on a world-wide basis. But more than this, Derby aspires to being "glocal" — a global company for economies of scale, but with local manufacturing tailored to regional markets. If, via an international procurement team, all Derby companies buy frames from the same range, together with components that will fit these frames, the cost savings and economies of scale are enormous. The brand can then be promoted worldwide in the manner of McDonalds and Guinness, with the advertising and products tailored for local tastes.

Raleigh considers it crucial that the company does not merely assemble bicycles, but also paints the frames. This facilitates branding and rapid model tweaking at the local level. Viewed holistically, it is cheaper to paint and assemble locally.

Conclusion

Raleigh exists not to delight technophiles but to make money. Its philosophy during the period under review has become very clear and focused: go for the mass market, using niche high-end products only to support volume production. This being so, it can be argued that Raleigh made a reasonable job of the last 25 years. It maintained its level of production reasonably consistently. It remained the biggest United Kingdom manufacturer. It retained the largest share of the UK market. Furthermore, Raleigh was the first major UK cycle maker to market mountain bikes, to mass-produce suspension mountain bikes, and to market an electrically assisted bicycle. Raleigh invented the hybrid and brought it to market well ahead of the competition. The Raleigh team twice won the Tour de France and Raleigh built the only British bike ever ridden to victory in the Tour.

Raleigh was fortunate throughout to have the services of Yvonne Rix in senior roles in marketing and product planning. She brought a combination of originality based on observation of people and their tastes, shrewdness borne out of experience in the corporate environment, pragmatism based on deep knowledge of Raleigh's production resources, and pertinacity arising from her passion for her work and her feelings of loyalty to the Raleigh brand. She worked hard at changing the things she could, while accepting those that she could not.

In the latter category, undoubtedly the biggest problem was Raleigh's old-fashioned roadster-oriented production facilities. When they were eventually modernized, it was too late and the underlying assumptions were flawed. Hence, the new facilities began turning out good, cheap diamond-frame steel bicycles efficiently just when aluminum and more exotic frame configurations were becoming *de rigeur*.

Much of the blame rests with TI, which did little to modernize facilities during their ownership of Raleigh and whose interest in the company faded over time. TI started badly when its Raleigh management overturned an agreement to build the Moulton.

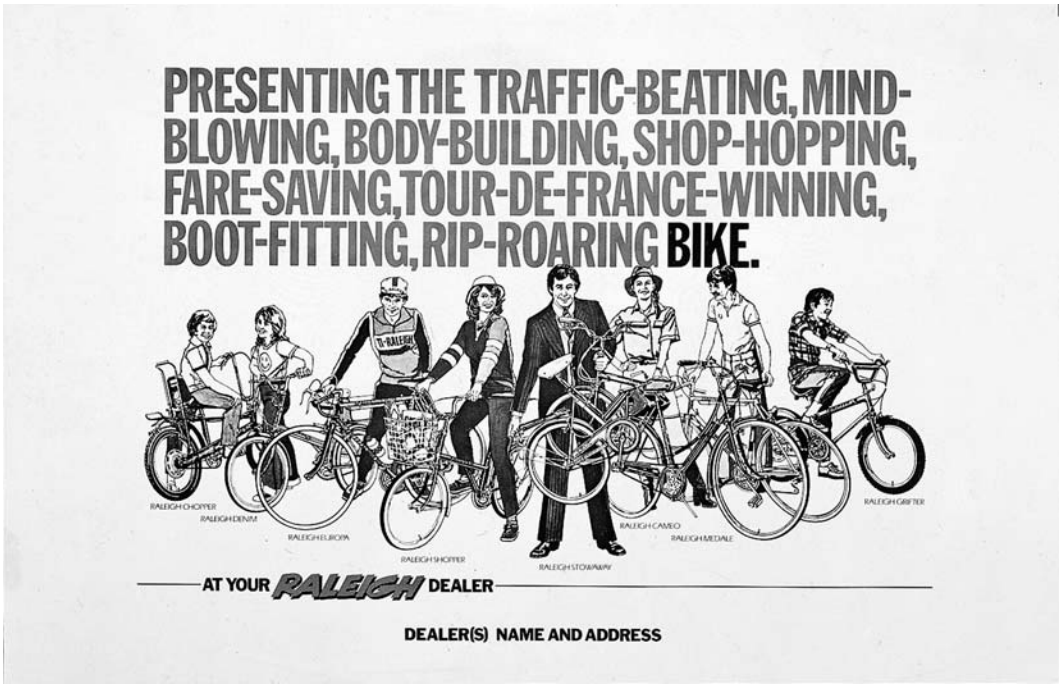

Fig. 0904. Typical products of the Raleigh range about 1977. Note the preponderance of small-wheelers and children's bicycles. Source: Raleigh-Diamondback.

Subsequently under TI, Raleigh arrived too late in the high-rise boom in the United States, failed to capitalize on the Moulton once it had bought the company, and delayed BMX and MTBs inexcusably. It also prevented Sturmey-Archer launching its 7-speed hub.[5] Compared with that record of blunders, Raleigh under Derby looked good.

Raleigh's performance appears worst when viewed in the context of the huge growth of the British bicycle market during the last 25 years. Total UK sales grew by more than 2½ times, most of the additional sales being of imported machines.[6] Against this, Raleigh showed no long-term growth and hence an increasing shrinkage of market share, despite retaining the largest portion.

It is sometimes argued that Raleigh is in terminal decline and ought to emulate the newer high profile American and Taiwanese companies. However, most of the imported machines flooding into the UK have not come from the high profile U.S. and Taiwanese companies, such as Trek and Giant, but are relatively cheap and mundane products from lesser manufacturers. In the UK in 1996, Raleigh sold five times as many bicycles as Giant, GT, Marin, Specialized, Trek, Scott, Orange, Kona and VooDo combined.[7] It should also be noted that none of the leading mass-market American bicycle makers volume-build their frames in the USA.

Finally, it is important to bear in mind that Raleigh, once the biggest bicycle maker in the world, is now merely a part of Derby. It is equally important to remember that Derby only existed because of Raleigh. Formed to buy Raleigh UK and its subsidiaries, Derby has subsequently grown to become one of the very biggest bicycle companies in the world. Derby was the "genetic" descendant of the original Raleigh and thus, as Wordsworth put it, "the Child is father of the Man."[8]

[Editor's Note: Derby was sold to an investment group in 1999. Lacking bicycle industry experience, the new management quickly ran Derby into bankruptcy. Since then, Sturmey-Archer was sold to SunRace and moved to Taiwan; Brooks has been sold in a management buyout. Alan Finden-Crofts, the former Derby CEO, has returned and is trying to restore Derby and Raleigh to profitability. (information provided by Frank J. Berto)]

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