

THE BUSINESS

# Forward thinking



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Time to contemplate the year ahead, says the man from the MIA

**A**fter seven trade shows in just 12 weeks covering France, Italy, Germany, UK and three in the USA, we're forced to consider whether motorsport can really afford to support all of these. Cost, time and preparation for small companies, especially during recession, has stretched them to the absolute limit. Unsurprisingly, several chose to simply visit the shows, not exhibit, preserving resources for future hard years. Some clearly made the least expensive choice and stayed away, inviting sellers to visit instead. Only time will tell just how many of these shows can retain support from the industry.

Most that did participate felt the shows were busier than originally anticipated and most still enjoyed decent, if lower, attendances. This reduction in quantity may have improved the quality, though, as those who stayed away were less involved in the industry anyway.

Given all this, business written was understandably patchy. A show that was good

for one was poor for another. Some attracted the right buyers, some failed. There have been 'hot spots' - flashes of good business - but these were rare, and caution is certainly the order of the day right now, both from buyers and sellers.

Racing and testing mileage will continue to reduce in 2010 and this will have a knock-on effect - the lower the 'competitive' mileage, the less is spent with suppliers. Reductions

**»» The world will start to climb out of recession late in 2010 »»**

in the number of race series looks set to continue, which means lower sponsorship and less cars as a result of governing bodies - not always successful - attempts to reduce costs. The country may be out of recession (officially at least), but the industry is not, though we should start to see an improvement in 2011.

Staffing levels continue to fall, from the top down, but

with some positive side effects. Good people are now being re-employed lower down the business pyramid, improving the experience, quality and value available from smaller operators.

But it is not all bad news. Diversification is proving the best way to fully 'sweat the resource assets' in motorsport suppliers. Governments are pouring billions of dollars into low carbon automotive solutions, and defence. These are growing

in significance as they seek high-performance suppliers who know how to deliver on time.

The world will start to climb out of recession late in 2010. Buying activity will increase, and international trade will grow to fulfil new demand. Exporters should see this from the summer onwards. Some believe this will lead to a three-year boom in international trade, as domestic

manufacturers in most developed countries have reduced activity and will not be able to respond fast enough.

New brands, like Google, are always created during the gloom of recession and many will be attracted to the improved value offered by motorsport, following cost cutting. We have welcomed Virgin into F1 as a primary sponsor, Marks & Spencer using Lewis Hamilton and Santander replacing other financial sponsors. Motorsport must be sure to offer good value to capture this new business.

This will be a great time for the best small or medium-sized businesses. Being flexible, fast, responsive and lean - plus the two essential assets of motorsport: endless resilience and eternal optimism. This time next year, we will look back on a tough year, but one in which we have positioned ourselves to take full advantage of growth in 2011. 

Chris Aylett is CEO of the Motorsport Industry Association [www.the-mia.com](http://www.the-mia.com)

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