

The Tortoise And The Unicorn—Brompton’s Slow Ride To Becoming A Billion-Dollar Brand

Full disclosure: I have a Brompton folding bike tucked under my desk. This morning it carried me to work across London like its does for a small and growing army of fans around the world from Jakarta to Hamburg.

Brompton is a 40-year-old firm, but over the last few years in particular, its reputation has grown and grown as the number of riders has increased around the world. Over 80% of the 50,000 Bromptons produced in the U.K. (per year) are now exported—to Korea, Japan and Hong Kong, cities known for small homes and an affinity for British brands. There’s a loyal following in London and other affluent European cities, and the people riding them have been described as a “cult.” Which begs the question, this bike is a Brompton, but why is the loyal cult army of often-plump city cyclists not yet riding a unicorn?

Whatever the reasons that Brompton is not yet a billion-dollar proposition, CEO William Butler-Adams really doesn’t care. He’s “bemused” by the “current obsession” unicorn status holds. “Microsoft, Dyson, Apple, Patagonia” he says, “were never interested in their size as they grew but were obsessed with coming up [with] fantastic products [people] loved.”

He takes me on a whistle-stop tour of Brompton’s new factory in Greenford, 25 minutes from Central London. The firm knocks out 300 bikes (nose to tail) a day, and Butler-Adams tells me that “15% to 20% growth is plenty good enough.” He walks fast, talks fast and gesticulates about “that guy—Buffett” and the power of compound growth. Bromptons are “fucking hard” to make with the “love” they need. You can’t rush, you can’t cut costs too fast, and if you “balls it up,” he adds, “who cares ... just start again.”

Butler-Adams is one of the more interesting CEOs I’ve met. He’s not Brompton’s founder—that honor rests with inventor Andrew Ritchie, who remains a shareholder but stepped away in 2005. But Butler-Adams has something of a founder’s energy. He seems to have read and deliberately ignored the traditional Milton Friedman chapter in the CEO handbook about delivering value to shareholders. The bike is first; staff second; shareholders exist.

And the leadership team here is far from typical. Butler-Adams started his career in Middlesbrough, having been given the “preposterous responsibility” of running a chemicals factory. But in 2002, many years after Ritchie had bent and banged out his first working model in the mid-’70s, Butler-Adams was offered the chance to work at this “mad” bike firm by a man he met on a bus.

But he clearly loves the bike, and what goes into making it work. He stops to compliment a

man sizzling away on hot metal for his neat handiwork—the underside of every Brompton frame is signed with the initials of its maker. It's an intimate touch.

Staff smile and give him nods as he strides through, long legs, fast, with the friendly disarming swagger of a mild-mannered Briton about to plant his flag in another man's country. But as far as CEOs go, Butler-Adams seems popular, and if someone makes eye contact, he tells them about his holiday.

Butler-Adams is unmistakably number one, and I want to know more about his relationship with Brompton's founder, Andrew Ritchie. Surely there's just too much jam and not enough sandwich? It's quite fruity, even for a British business. "The first challenge I had," he says, before pausing to rephrase. "The problem with Andrew is that he's a perfectionist. He took 13 years to get this off the ground. He's a genius inventor and designer. But I'm the engineer."

He adds: "And I'm here because of the bike. What Andrew created is flipping awesome. What's sort of addictive about it is how it affects people's lives. There are not that many products that contribute so positively."

Back on the subject of unicorns and growth, Butler-Adams stresses that he'd much rather be a slower, less glossy beast: "A tortoise does 18% compound growth for 70 years." He says, "I mean that's just where I'd rather be. Yes. And you look back at IBM and Microsoft and all those companies: There were times when they were all written off." Brompton has been written off at just about every juncture. A nice touch in the factory's tiny museum: the rejection letters from Barclays Bank and Raleigh, the onetime British cycling household superbrand, displayed beneath the first Brompton ever made. No one thought folding up a bike and putting it under your desk was something people wanted to do. They were very wrong.

A bike, but smaller

But even with increased demand (and a compact product), there's a lot of spare space in this factory. And to make it all worthwhile, Brompton simply needs to build more bikes. There's certainly the demand, and you'd think the capacity. But growing while maintaining the quality to justify the high price point (a midrange nonelectric Brompton costs \$1,200) is no easy task. "So we are making 50,000 bikes (a year). We're exporting nearly 80% of those to 47 countries around the world," Butler-Adams says. "So the potential is not a £50 million business. It's a billion-pound business. It's urban transport, which is good for health, good for the soul, good for the mind, good for the environment." But will it one day be a unicorn? "It's a flipping no-brainer," he says. But admittedly there's a long way to go. By comparison, the world's biggest bike firm, Giant, sells around 6 million bikes a year and generates revenue of around \$2 billion. Brompton really is, at this stage, a quite tiny proposition.

But why would you want to fold up a bike? I will admit that for our U.S. readers this might seem a quintessentially British endeavor: to take something useful—a bike—and make it mini. Why?

But with 80% of Bromptons being sold outside the U.K., Ritchie's genius was not just a folding bike, but in predicting that at some point in the future there would and could be a change in urban transport. And we now want as much choice as possible: scooters, electric bikes, fold-up bikes in your car trunk—the playing field has changed, and the company at

the front of the pack has 40 years' experience making "funny-looking bikes" tried, tested and loved by London's funny-looking people.

Butler-Adams says that his "competitive landscape" is about to get "massive." Once upon a time, rival folding-bike offerings were the only competition; nowadays the CEO cites the Chinese dockless bike firm Mobike (acquired in 2018 for \$2.7 billion) and Lime—"both of them unicorns within two years"—as marking the big shift in urban transport. Carmakers are now looking to package bikes and scooters in the back of new car offerings. Taking the so-called "last-mile problem," Hyundai recently announced an electric scooter option for its new cars. Seat and Skoda have also taken on the electric bike challenge, while Mini released its first take on the folding bicycle last year.

Is Butler-Adams worried? "People have lost their rocker. Most of them are never going to make any money. We've been around 40 years. We're the tortoise."

Electric Dreams

I'm keen to finish our chat on the new electric bikes. It's a good job they work, because at \$3,400 a pop they'd better be good.

We take a ride on the new electric offering. It's "torque-y." They've cranked it up to 11 for me. A light push on the pedal and I'm off, Butler-Adams a bike length behind me, yelling, "We've got to get more people riding. Not just people like you—your granddad and mother."

Sales are solid, but in many ways so much depends on its success. I ask about rumors that there is a lobby within Brompton that's pushing back against electric bikes. "I first came up with the idea for an electric Brompton over 10 years ago, and it's the first time Andrew and I had a proper row," Butler-Adams says. Ultimatums were given. "You let me play with it or I'm leaving," the CEO told the founder.

Relations are better nowadays, but Butler-Adams admits that "friction" exists at Brompton from the boardroom to the factory floor "and I like it." He adds, "I get friction from my team. If my team can't tell me that they think I'm being a blithering idiot, well ... that's what happens to a lot of companies."

Brompton will, most probably, become a billion-dollar firm, but it's going to plot its own route in getting there. And it might be quite a strange journey. Butler-Adams won't let me leave without one final image of life at Brompton. As a CEO, he warns against being "the king" in the "invisible clothes" he tells me. "Everyone can see his willy, but no one says so. And in any business, that's just a disaster."

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