

A ONE-HORSE RACE

Visit Ferrari specialist DK Engineering and it's easy to be dazzled by the luxury supercars, but look 'under the bonnet' and you'll see that the real magic is in the well-oiled family machine.

Michael Finnigan takes a look





The countryside village of Chorleywood in the United Kingdom might seem like an unlikely setting for a supercar, with its tree-lined lanes and meandering streams. Imagine then the contrasting visual of a Ferrari LaFerrari, the latest in a long line of supercars from the eponymous Italian carmaker, as it roars past the duck pond.

For the villagers it's not such an unusual sight: DK Engineering, the oldest surviving Ferrari specialist in the country, has operated out of a converted-for-purpose farm on the outskirts for a decade. Thankfully for the local wildlife, it's well out of earshot.

"We bought the farm in 2007 and spent nine months redeveloping it," explains second-generation James Cottingham, who spearheaded the project during his final year at the University of Bristol, where he studied mechanical engineering.

"The idea was to match the site to the needs of the business. That meant we needed a proper showroom, more office space, and a site that

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Top: Members of the Cottingham family in DK's recently restored museum (from left): James, Justin, David, and Kate

Opposite: The Goodwood Revival is a three-day festival held each September at Goodwood Circuit for the types of road-racing cars and motorcycles that would have competed during the circuit's original period (1948 to 1966). In this 2015 Ferrari-only event, James Cottingham won the Lavant Cup in the yellow 1957 Ferrari 500 TRC

had moved on from the industrial units of the 1980s and 1990s. We restored the buildings to the highest standard in order to reflect what we do with the cars."

While it is hard to imagine DK Engineering before the move to Chorleywood, the business was once based in the London borough of Northwood. Founded in 1977 by David and Kate Cottingham, the husband and wife team that lend their initials to the company name, continue to head the business today.

David says the true origin of the business can be traced all the way back to 1950, when at seven years old, he fell in love with the *XK 120* model of Jaguar, and later, following the death of his father, a cycling club that fostered a desire for racing. It was a pre-war BMW a lodger had been working on, however, who gave him his first taste of engineering.

Over the years, David developed his hobby for car repair and racing into a fully-fledged business, at first in order to fund his passion for racing. In the early years he juggled the business at the same time holding down a senior position at American photography company Kodak.

Fast forward to 2016 and DK Engineering is well and truly a family affair. David, 74, remains at the helm of the business, which employs about 35 members of staff. Kate, who first encouraged David to turn his hobby into a business, continues to work as a co-managing director in charge of administration. Their three sons, Justin, 43, Jeremy, 41, and James, 32, are all engaged in the business to varying degrees (more on that later).

Today, DK Engineering enjoys business from the likes of Ralph Lauren, Sir Anthony Bamford of family-owned machinery giant JCB, and Chris Evans, who heads up the new version of BBC motoring show *Top Gear*. It had revenues of £90.9 million (\$131 million) in 2015 and projections for 2016 are largely in line.

Even though the majority of the cars that pass through DK's Chorleywood premises are from the Prancing Horse, it also deals with Porsche, McLaren, Lamborghini, Pagani, and De Tomaso. Since its inception, DK has handled the maintenance of 3000 different



vehicles, totally restored 150 vehicles and carried out the sale of more than 1300.

For all its success, DK Engineering hasn't always been the professionalised business it is today, and once operated on a deal-by-deal basis. As James explains: "The business really took off when the second generation joined. My father and his team were primarily interested in repairing and restoring cars, but they were such important cars that the business was profitable. It wasn't until my elder brother Jeremy joined DK in the sales team that the business really began to take shape. He is an extremely talented salesman."

Since then all of the Cottingham children have been involved in the business to some degree. Eldest son Justin is head of storage and asset management, while middle son Jeremy is a non-executive consultant, having branched out to develop his



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Top: A Ferrari F40 Prototype in full racing livery, pictured outside DK Engineering's showroom

Bottom: A collection of Ferrari's pinnacle supercars in DK Engineering's main workshop (from left): Ferrari F50, Ferrari 288 GTO, Ferrari F40, Ferrari Enzo





Top, from left to right: A Ferrari 250 GT SWB (#3657) restored by DK and featuring in their latest marketing campaign; James and Jeremy Cottingham receiving a trophy at the 2014 Cavallino Classic in Florida

Below: A selection of Ferraris pictured outside DK Engineering's Little Green Street showroom: Ferrari 250 GT SWB, Maserati 250F, McLaren F1, Ferrari F40



own business. Youngest son James, who did internships at JCB and Benetton F1, is being groomed to take over DK, and has both the racing and engineering expertise to step into his father's shoes. He says it has been a long and winding road.

During those early years, James helped to develop a number of side projects that today play an important role in the business. One of those side projects was DK's website, which serves as a powerful tool for client acquisition and sales. The 32-year-old discusses the origin of the website: "We had a couple of big clients at the time that gave us some really great collections of cars to sell. One of those clients was also really big in software in Germany and he stressed the importance of having a website. So a lot of the early stuff I did at the time was simply building the website and keeping it up to date."

While Cottingham believes his work on the website remains a defining moment for the business, he is particularly proud of the restoration and refurbishment work he assisted with at Chorleywood. His directive was to ensure the property reflected the high standards of DK's work.

"We had to show our clients that their cars are being looked after properly, and not by some sort of backstreet garage. It's a real experience to come

here and we wanted the property to reflect the way that the business had evolved, so there's a huge emphasis on sales. Equally, we still have a big workshop and restoration facilities. Every single car we sell either goes through the workshop or at least has a pre-delivery inspection. There is never an occasion where we do nothing to a car."

DK Engineering's premises in Chorleywood are both extensive and pristinely kept. In addition to a showroom, primary workshop, and rolling road, there are facilities that can store more than 250 cars. While the aforementioned rolling road helps to ensure vehicles are operating at maximum capacity, it is the cavernous facilities that allows DK Engineering to provide one of their core services: the storage and transportation of client vehicles.

"The easiest way to explain is to take an example client," James explains. "Let's say you have a client that lives in Singapore, where the import taxes are high and there aren't roads to enjoy the cars, but at the same time they have a real passion for cars. That individual will come to us in order to purchase a car directly or task us with finding a certain type of car. From then on we will assist them with everything from the purchase to due diligence, as well as making sure what they're buying is the right value and quality. They then might make the decision to leave the car with us during the months they're not using it. The asset also doesn't look after itself and needs a degree of maintenance. We also arrange for the transport of the vehicle to locations in Europe. We really look after every aspect of car ownership."





While it is clear that the next generation of Cottinghams has a clear grasp on the business and had numerous successes in their own right, growing up in the shadow of a master craftsman and business founder like David Cottingham presents a unique challenge. One of the most common ways to bridge the credibility gap in a family business is for the next generation to gain outside experience, through which they can develop new skills and gain the confidence needed to stand on their own two feet. Another way is to bring fresh ideas to the table.

“Instagram is a really interesting tool for us and a great way to engage with our audience,” explains James, referring to the online mobile photo sharing, video-sharing, and social networking service recently purchased by Facebook. “We deal with beautiful things everyday, so I will see something beautiful and take a picture that I think other people would like to see. I’ve made the conscious decision not to make the account about my life at DK. At the same time, people like to know who’s behind an account, which is why I have my name on there. They don’t like to think it’s just a PR agency working on behalf of a company.”

With such unprecedented access to rare cars, it’s easy to see how James has amassed more than 25,000 followers, but he is keen to stress that Instagram comes with its own set of risks. “The biggest problem with Instagram is client confidentiality, so I know what I can post and what I can’t. I have to be very strict with the employees and say look, if you see that I’ve posted a picture of a car that’s fine, you can do it with your accounts, but any other time you’ve got to think and you’ve got to ask. If it’s something that’s in the workshop, or if it’s in our storage facility, if it’s not in the public eye already, you’ve got to ask. Obviously now and again people slip up and you have to remind them.”



Top: A RHD Ferrari 250 GT SWB in DK Engineering’s state-of-the-art storage facility

Bottom: James Cottingham holds off Brazilian racer and Ferrari collector Carlos Monteverde in a thrilling race at Goodwood Revival 2015 in the Lavant Cup

Opposite: The Cottingham family pose for a family portrait inside DK Engineering’s museum

While DK Engineering takes great pride in its confidential sales service, and uses an intricate network of clients, contacts, and customers to achieve discreet deals, a potential slip-up on social media could hamper their reputation for privacy. Though there has yet to be a social media leak at DK, the Ferrari specialist has in the past had to deal with unwanted media attention, most notably in last year's multi-million brokerage of a Ferrari 250 GT SWB, a deal that was leaked to the public thanks to the new owner's insurance documents.

"That was an 'under-the-radar' deal, as we call it. The seller wanted to be discreet about the sale of the car. He didn't want to be in a situation where the car didn't sell and find that the value became somewhat diminished because people perceived that it was on sale at too high a level. It's a very delicate balance. When that situation came to light it was difficult to manage. You've got to appreciate that it will come to light at some point. So we just dealt with it as it happened. From experience, we know that these types of issues will not go away, so as soon as there is a problem, such as a provenance issue, it needs to be dealt with there and then, because it will only get worse with time. Experience tells us that."

Reputation-damaging events come far and few between at DK Engineering, thanks to its company-wide policy on everything from sales to social media. Most of the Cottingham's correspondence goes via email in order to ensure records are kept. They also hold a monthly family meeting to discuss operating issues. As a result, the company's outlook is positive, according to James.

There are also a number of external factors that contribute to their rosy outlook. For one, the classic car market is booming, which in turn makes wealthy individuals more likely to splash out on vehicles when



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they see how they have appreciated over the past few years. Secondly, Ferrari itself is on a roll following a 2014 management shakeup that saw the dismissal of Luca Cordero di Montezemolo, a protégé of Enzo Ferrari, who had run the company since 1991. While these external factors ensure that business is good in 2016, James says it is DK Engineering's underlying family focus that is behind the success.

"DK is a real family business. If any of our employees have any trouble, we hope that they will come to us and feel like more than just staff. While the company has grown massively in the past 10 years, none of it would have been possible without the 30 years that came beforehand. Now that we are where we are, we're very careful not to take on too much. You're nothing without your reputation. That is the key to our business certainly. It's helped us do so many deals, it's helped us buy so many cars, it's helped us out of so many situations."

Patriarch David is equally thankful for the success of his business, going

so far as to say he never even expected his sons to be involved the business.

"I never encouraged them, in fact they were basically discouraged. Maybe that's why they were so keen to join. But I'm very happy with the way things have gone. We really value our staff and our relationships are great. Not only do we look after them, they really look after us. They look after me in particular. They are very genuine and they really care about the company's reputation."

What does Ferrari make of DK Engineering? Well, it is easy to forget that Enzo Ferrari was not in the slightest bit interested in the classic car market and even went so far as to display contempt for individuals that bought Ferrari cars as a status symbol. It wasn't until the 1990s that the Prancing Horse recognised the value of its classic cars and began offering restoration services. Today they have, quietly, given their stamp of approval to DK Engineering. With this two-decade lead, one might call the restoration of Ferraris a one-horse race. **FB**