

INDIAN TONIC



COULD WE BE
WITNESSING
THE START OF AN
INDIAN UPRISING
THAT EVEN
SHERIFF
HARLEY-
DAVIDSON
CAN'T
SUPPRESS?

It's a shrinking world, but even those agents of improbability who script Hollywood TV mini-series would have a hard time spinning a believable tale about the Australian businessman from the most remote major city in the western world who rides to the rescue of America's oldest and arguably most historic motorcycle marque.

Our hero must withstand confidence tricksters, rip-off merchants and con-artists before establishing a legal right to his bike's trademark, and relaunching the marque on the world stage with a born-again range of new models, bristling with modern technology and signature styling, coupled with sound engineering and reliability. Sounds far-fetched, doesn't it.

Well, maybe not: John Bloor did it this way and Triumph's success isn't a figment of anybody's imagination. Whether the Indian Motorcycle Manufacturing Company ever achieves start-up production status still hangs in the balance - but for 42-year old Maurits Hayim-Langridge, Antipodean chieftain of the new Indian tribe, it's a war worth fighting - especially with someone like Kiwi John Britten as his technical brave. All he needs is the cavalry to ride to his rescue.

In the form of the international venture capitalists he's been actively courting for the past two years, as he's racked up the frequent flyer points criss-crossing the Pacific and jetting coast-to-coast in America one month after another. Gradually building up his line of credit and winning new converts to the Indian cause.

Unlike other dreamers, some well intentioned, others not, who have tried to persuade the money men to dance round the Indian totem pole in recent years, Hayim-Langridge has a true sense of the enormity of the project he's committed himself to. 'I've heard a lot of conjecture about how much it's going to cost to get Indian

up and running again,' he says. 'Some say \$5 million, others \$10 million - but that kind of speculation just makes me laugh out loud. Ten million dollars is just enough to get you into trouble - look at what John Bloor's had to spend to get Triumph this far. I'll admit that he's provided the blueprint as well as the



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encouragement for what we plan to accomplish with Indian. We'll do things differently, but we'll learn from his achievement. Bloor showed that the only way to do it is to pay attention to the basics. If you've got a good trademark, a ready market, good people carefully chosen and sufficient cash to develop and produce a quality product that is well made and above all reliable, then you can make it work.'

Yes - but hang on: why bother? What makes the Indian marque worth resurrecting? Harley-Davidson already have the market for American iron sewn up tight. Why spend millions of dollars trying to go head to head with them when you're bound to come off second best? It's like asking why anyone would ever bother to make Nortons when you can buy a Triumph. And in fact it's an exact analogy, as a dip into the history books will prove.

Indian was founded by George Hendes back in 1901 - two years before the first Harley was built. And the Iron Redskin's Springfield, Mass. reservation, with acres of covered floor space, was once the largest motorcycle factory in the world. The models built there were consistently of very advanced design for their time - by as early as 1914, for example, Indian were selling 998cc V-twins with rear suspension and an electric starter and were always more innovative than their Harley rivals, which were considerably more conventional, even staid, by comparison.

Indian produced a constant flow of new designs and experimented with many of them on the race track enjoying great success. Indians finished first, second and third in the 1911 IoM Senior TT, dominated US board racing in succeeding years - most notably with the world's first eight-valve V-twin - won the Belgian GP on the ultra fast Spa circuit in 1923 and scored victory in the hands of

Floyd Emde in the first-ever Daytona 200, run in 1937.

By way of contrast Harley achieved their eventual commercial supremacy by sheer weight of numbers coupled with a distaste for innovation or engineering excess. Harley never built a four-cylinder bike, for example whereas Indian took over the Ace four in 1927 and refined it down the years leading up to WWII. Watershed years for both companies. Harley had a good war, as they say in the Pentagon, while Indian merely survived it, only to plunge into abrupt decline and eventual, long drawn-out demise. Until, perhaps, now.

Nationality aside Hayim-Langridge has impeccable credentials to be the man to lead the Indian tribe back to its former happy hunting grounds of showroom success. A dapper, sharp suited veteran of 20 years in the retail motorcycle industry, his dynamic approach to maximising two-wheeled turnover is underscored by his ten-year stint as Western Australia's H-D importer represented, until a terminal dispute with his partner led to their Bike World company losing the H-D franchise.

Perth, W.A. is closer to Djakarta than to Sydney, separated from the rest of

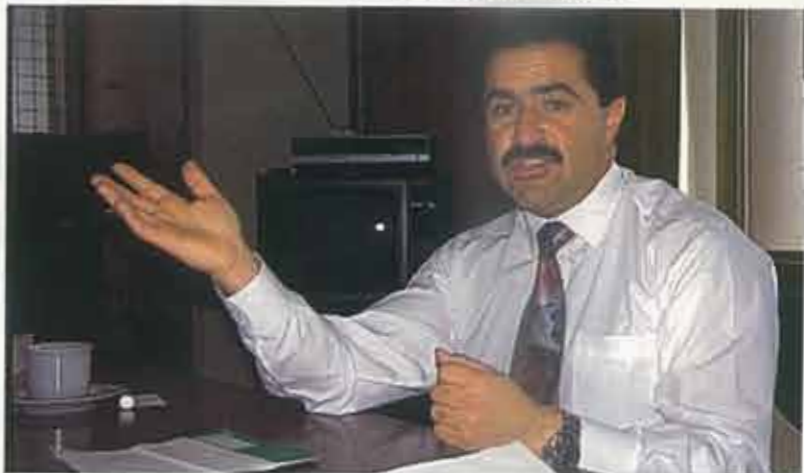
RIGHT: Maurits Hayim-Langridge formerly ran the most successful Harley dealership in Australia. Now he intends to enjoy the same success with Indian. BELOW: Hayim-Langridge and other assorted 'mugs' outside the gates of Phillip Zanghi's aborted 'Indian' factory.

downtown Australia by a vast stretch of nothingness called the Nullabor - hence Harley's decision to appoint their own direct importer there in the early '80s. Hayim-Langridge's business acumen and gift for marketing coupled with a fierce insistence on the customer always being right won him a progressively more dominant slice of the market until, by June '92, Harley was No.1 in W.A., across the board.

But despite clocking up the brownie points and visits from Willie G. himself and H-D president Jeff Bluestein for another of Bike World's hugely successful promotions in 1988 Hayim-Langridge couldn't save the franchise. Just over two years ago Harley cancelled the deal to consolidate their Aussie operation into a single importer. But by then Hayim-Langridge had already taken his first steps down the Indian trail. 'Even without problems with my ex-partner, I could see our Harley business was doomed,' he says. 'The college graduates running the company now want to get their significant overseas dis-

tribution back in-house, like they've done in the UK. Consolidating Australia into a single entity paved the way for this, so I was already looking around. I didn't take what Harley were going to do personally - it was good business - but since I figured I knew a bit about how to sell American motorcycles, and I'd heard plans to relaunch Indian were afoot, I decided to try to become Indian importer for Australia. So I got in touch with Phillip Zanghi. That's how it all started.

'Zanghi was an American entrepreneur whose son Phillip Jnr. had met a guy on a beach somewhere, named Carmen DeLeone,' explains Maurits. 'They got talking and it turned out this guy had the rights to the Indian name. The Zanghis knew zilch about motorcycles but a lot about making money, so they bought the rights off DeLeone for \$10,000 after checking everything out, and started trying to get rich. They claimed they were going to breathe new life into the marque and restart production. This encouraged me and others around the world to



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contact them and try to make a deal to import the bikes locally. I and my business partner Michael Lean paid \$250,000 as deposit on the \$1,000,000 fee to do so in NZ and Australia. Which may make us sound naive, but I assure you we checked the Zanghis out very carefully. They had impressive business credentials and some heavyweight backup. You'd walk into their boardroom for a meeting and they'd have representatives of state and local government as well as labour unions there, and so on. Definitely high rollers. But then in the course of our diligent search we uncovered some facts that didn't sound right, and things started to fall apart.

'The Zanghi's were all front. They had this supposed factory site in Conneticut with a beautifully painted front gate

which they posed me and the other mugs in front of. But behind it was acres of nothing with 20 Turkish labourers working on leather jackets and other clothing that the Zanghis were supposedly marketing to promote and utilise the Indian trademark. They were good at erecting a framework for a deal but hopeless at fleshing it out. It was a house of cards and it eventually came tumbling down.'

With no progress whatsoever on the design or development of a new Indian motorcycle, and the money he had paid the Zanghis evidently misappropriated, Hayim-Langridge started an action against them in the US courts to which the complaints of other victims of the scam were joined. The action began in November 1992, just as Bike World was about to lose its Harley deal, and judgement was obtained in July 1993 against Zanghi father and son for more than \$1,000,000 bankrupting them in the process. The Indian trademark was one of their assets, so in an effort to recoup his invest-

ment Hayim-Langridge began negotiations with the court appointed receiver for the Zanghis' affairs to acquire it - negotiations that came to a successful conclusion in March 1994, with an agreement for Hayim-Langridge's company to take over the assets of the Zanghis' former company Indian Motorcycle Co. Inc - including the all-important trademark, which the court had established it was entitled to - in return for a \$2.5 million payment to the other creditors, spread over an eight-year period, in addition to waiving his own claims. The Western Australian businessman was now legally recognized in the USA as the owner of the Indian marque.

But what about Wayne Baughman, the New Mexico-based former policeman and used car salesman whose rival Indian Motorcycle manufacturing Inc. (IMMI) had meanwhile lodged a rival claim to the rights to the Indian name, and has since produced a 1700cc prototype known as the Century Chief,

powered by a huge liquid-cooled fuel-injected engine developed for him by Batten Engineering in the USA. 'Check his trademark registration,' says Maurits. 'He hasn't got one for the Indian name on the bike, and he knows it - that's why it's only called the Century Chief. Any corporate search in the USA will show that we own the rights to the marque. And since acquiring them we've firstly been careful to register the trademark in all our key potential markets overseas, and secondly demonstrated commercial activity employing it. If you don't use it, lose it, is the first rule of the trademark business. That's why Michelle has developed a range of our own Indian-adjuged motorcycle apparel, to demonstrate use of the name and to buy time while we develop a new range of bikes, which the Zanghis never began to do.'

But still

Baughman's efforts to produce a motorcycle with styling that is recognizably derived from traditional Indian models must represent a threat to Hayim-Langridge's plans for the marque's future? 'It might do if he ever got into large scale production, which I doubt will ever happen,' says Maurits. 'Baughman has completely underestimated the financial and engineering stakes involved in starting up a motorcycle manufacturing business - he seems to think \$10 million will take care of everything, whereas you can't even fit out the production lines for a single model for twice that. We're looking at ten times that figure as a start up budget, and having been down the venture capital road before with another, automobile-related venture I was successfully involved in, I have an understanding of how to go about raising it. We'll just let people like Mr Baughman get on with it for the time being, while we concentrate on more important matters. He's already admitted on the record in court that he has no rights whatsoever to the Indian name, so we'll leave it at that. In the meantime, however, what encourages me is the fact that so many people have been prepared to part with their money without any idea of when or if they'll ever see a Century

Chief in production.'

So does that mean Hayim-Langridge's company will produce a similar kind of product to the Century Chief, only badged with the Indian name? 'Not a chance,' says Maurits. 'That's like asking John Bloor ten years ago if he was going to launch Triumph with a watercooled Bonneville twin and nothing else. The market won't put up with a reverse-engineered 1953 Indian Chief. We'll be building the motorcycles that Indian would be producing had they'd stayed in business all along, which with their engineering heritage means the 1998 Indian would have been a more technically advanced motorcycle than the equivalent Harley - and will be, even though I predicted the VR1000 would appear two years before it did, and I'll bet you see a Buell-built street version before very long: that's a significant part of Harley's reasoning for sinking so much capital into the Buell company, in my view. But 40-something years is a big gap to fill in terms of technology, so that's why we contacted John Britten, and made a deal with him to act as our engineering consultant. He has great visionary talent and it even turns out that his first ever bike was an Indian which he fished out of a pond and rebuilt when he was a kid.'

So when can we expect to see a Britten-engineered Indian on sale - and where will it be built? 'We've been very busy getting the basics right,' says Maurits. 'And that's why we haven't surfaced until now. But currently the future looks very promising, so that with a certain amount of optimism I can say we're on line for a late-1997 launch of a new range of Indian motorcycles. And not just one model but a full lineup, the Triumph way.'

TOP RIGHT: The Britten race bike will provide the mechanical basis for the Indians due to come on stream in '98. **RIGHT:** New Zealander John Britten: the visionary engineer who is India's engineering consultant



'They'll all be V-twins, but will be very different from each other, reflecting the different nature of traditional model names like Chief, Scout, Brave and Roadmaster which we'll naturally use. The bikes have to be produced in the USA and we've brought in consultants to help us sift through the various factors involved in locating the factory, like tax advantages, support industries, labour forces, climatic conditions and proximity of shipping ports for what will be an export-orientated American company. Many states offer very favourable deals to attract a company capable of employing several hundred people but we've narrowed the choice to six possible locations and will decide soon. Then we'll start recruiting and building.'

But does Britten's involvement mean that the future Indian range will consist only of sports bikes - Britten V-twins for the street, rather than Harley-esque neo-Lowriders and Tour Glides? 'We'll cover a lot of different bases,' says Maurits. 'But I think the market's changed in recent years, and the American public are ready for an American superbike. The technology exists in the USA to build a high-performance machine capable of competing with a Ducati 916. But there are no prizes for coming off second best. People have to get off the 1998 Chief with stars in their eyes after riding it. Back in its glory days Indian was at the cutting edge of performance technology and we have to re-vele that tradition.'

'The customer's got to hop on any Indian and feel proud to ride it because he knows it

has leading-edge engineering in its construction even if it's a tourer rather than a sports bike. Consumers around the world are ready for a high-quality, alternative range of motorcycles built in America that satisfy their requirements in a different way that Harley do. And Indian will deliver that - with the added ingredient of a performance machine that will compete with the best the rest of the world can offer.'

As Western Australia's top retail dealer for Ducatis via his Bike West dealership whose plush, extensive offices provide the Indian marque's present home base, Maurits Hayim-Langridge has first-hand experience of both sides of the product lineup he's planning for Indian. This energetic, dynamic, keep-fit enthusiast who cycles 20km each day in the hills around his house in the countryside outside Perth, swapping pedal power for demon driving at weekends when he rides his Ducati further afield, has found himself almost accidentally at the reins of an historic name in American motorcycling that is in the process of being born again. The right man in the right place at the right time? Could be.....

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