

Our Business Model

Effective utilisation of our resources and relationships are an integral part of our plan to drive long-term sustainable growth. Our resources and relationships form the inputs to our business model, which are utilised and transformed in the process of value creation. The outputs of our business model are detailed on the opposite page and throughout the report.

Through the expertise of our partners and well-trained colleagues . . .

Training and accreditation, such as our 3-Gears training programme, ensures that consistent product knowledge and service reaches our customers across all locations.

We are able to leverage the Halfords brand . . .

Halfords is the nations go-to-retailer for motorists and cyclists. We have a range of exclusive and highly-regarded brands including *Boardman*, *Apollo* and *Carrera* in cycling, as well as our *Halfords Advanced* ranges in motoring.



. . . to delight our customers every time

We aim to grow our business by attracting more customers, encouraging them to buy more products and services, and persuading them to visit our stores and Autocentres more often. To do this we make four promises:

Prices you can trust	Quality you can trust
Range you can rely on	Service that wows

Through our portfolio of convenient stores and Autocentres, efficient distribution network and user-friendly websites . . .

We want to create a compelling shopping experience that excites customers, improves their knowledge of our products and services, and engages them emotionally with our brand. Our ambition is to create a service-led, fully integrated digital proposition which will maintain our ongoing relevance.

Our model is underpinned by our financial discipline, astute purchasing and strategic reinvestments.

We are a cash generative business and have generated £37.7m of Free Cash Flow in the year. We are well supported by our banking syndicate, having amended the debt facility in 2014, extending it to November 2019.


Our integrated approach to sustainability keeps economic, social and environmental considerations in mind, as well as the material issues of our stakeholder groups to inform our model and operations.



Outputs

Financial Resources

Generating returns to our shareholders through effective management of our financial resources

 Read more the [Chief Financial Officer's Review](#) on pages 36 to 41


Brand

Developing our brand through innovation and expertise.

 Read our case study on [Exclusive Ranges](#) on page 25


Colleagues

Developing, rewarding and retaining our circa 10,000 colleagues so that they are engaged and driving our long-term sustainable growth ambitions.

 Read more about ["Service in Our DNA"](#) on pages 22 and 23


Physical and IT Infrastructure

Maintaining and developing our infrastructure and sales channels to strengthen competitive advantages.

 Read our case study about [Developments in our Store Portfolio](#) on page 27


Community

Building relationships with suppliers, customers and the communities around us.

 Read more in the [Corporate Social Responsibility](#) on pages 30 to 35

Environment

The environmental resources that Halfords utilises in its operations.

 Read more in the [Corporate Social Responsibility](#) on pages 30 to 35



This icon is used to indicate content on the outputs of the business model.

Fast Fact

13th place

achieved by Halfords Retail in the Sunday Times "Best Big Companies to Work For" list

Fast Fact

Around 10,000

in-store services carried out at each of our 460 Retail stores during the year