

JANUARY 2012

SALES TAX FAIRNESS MOVES FORWARD— SLOWLY

The NBDA joins other independent retail groups visiting Congress to push for a level playing field with Internet sellers.



By Fred Clements

On November 2 there was an "advocacy day" in Washington, D. C. to work for sales-tax reform related to Internet retailers. Participants included representatives from specialty book stores, specialty hobby shops, college book stores, specialty toy stores and, of course bicycle retailers. I attended representing the NBDA, which feels it is unfair for brick-and-mortar retailers to be required to collect sales tax (in areas where it is required) when many Internet sellers do not. Here's a report:

We met first with staffers from Representatives Womack and Speier, co-authors of HR 3176 that is the current legislation in the House for e-fairness. This bill would allow each state to set up and regulate sales-tax collection, as opposed to the single "streamlined" approach in the Durbin bill in the Senate that would have a national system for collection representing the states that choose to sign on. Womack and Speier have signed on co-sponsors representing both parties, five Democrats and five Republicans, and continue to seek support.

I was able to clarify the exemption provision that the NBDA board has previously discussed. Companies with \$1 million and under in Internet sales, or under \$100,000 in any single state, would be exempt. The NBDA supports no exemption, as did others in our group, but the congressional staffers explained that this is not a viable option if a bill will have any chance of being passed in a Republican-controlled House. Republican support seems to hinge on protection for smaller Internet sellers. There are a lot of issues here because sales taxes are levied locally or by state, and some in Washington oppose federal action in an area controlled by states and localities.

We also met with Sen. Durbin's office. Durbin is the author of the current Senate bill. This has an exemption of \$500,000 in Internet sales (not total sales) for merchants. It is expected that a new bill will be introduced in the Senate that will be a combination of "the best parts" of the Durbin bill and HR 3176, and possibly have a companion in the House. It will be called the Marketplace Fairness Act and will be sponsored by Senators Enzi and Alexander.

The California Senators (both Democrats) I visited were cautiously supportive but waiting for the actual bill to come out before making any commitments. They were asking a lot of questions because I think they have yet to truly engage on this issue.

I visited my own conservative Congressman, a frequently futile endeavor on bike-funding issues. He opposed any attempt to regulate the free marketplace on the Internet because, he said, once

IN OUTSPOKIN' THIS ISSUE:

Dealer to Dealer	Page 2
<i>"Right in front of me, the idiot tells the lady that a certain mail-order company had those at 40 percent off."</i>	
Best Practice: How We Manage Cardboard	Page 3
<i>"We have a detailed process for recycling."</i>	
Profile: NYCeWheels, New York, New York.	Page 4
<i>"Are you crazy? Fixing flats for \$10? No way!"</i>	
Brave New World	Page 7
<i>E-bikes with lightweight lithium-ion batteries and sophisticated, electronically actuated, hybrid motors.</i>	
How to Recruit And Hire The Right People	Page 8
<i>"The behavior of the candidate in front of you is a very poor predictor of what they will do on the job."</i>	
Now, More Than Ever	Page 9
<i>You're needed at the D. C. Bike Summit, March 20-22, and the NBDA will pay the tab.</i>	
Last Word	Page 11
<i>"The friend had recommended/convincd Michael to buy a road bike on-line."</i>	



\$2.5 million gross from 300 square feet? Find out how on page 6.

you open the door to regulation, more and more regulation is likely. I explained the "level playing field" concept of blatant discrimination against brick-and-mortar stores, and he suggested that those stores should just sell on the Internet themselves if that's what it takes to compete. He opposes any federal action or taxation on the Internet.

We got some ink. That day's edition of "Roll Call," the newspaper of Capitol Hill, had a front-page article on this issue and said, "members of the American Booksellers Association and several other organizations representing independent businesses blanket Capitol Hill in support of the idea" of reform.

My overall impression from the meetings was that this is a very complex issue that is in flux, and that has little chance for quick passage. There are many big players jockeying for position, including amazon.com, Wal-Mart, Target, E-bay, and others.

There is some reason for optimism, however, because there is finally movement and some bi-partisan support for a concept that has been languishing for more than a decade. The small-business voice is important but we do not have the lobbying power of the bigger companies, so an exemption for smaller Internet sellers will likely be part of any legislation that moves forward.

DOWNSIDE TO SHOP RIDES?



>We have a shop ride on Wed nights, a good crowd of great, enthusiastic riders.

However the reality is that we sell very little product to these people in either bikes or parts other than lots of GU for the ride. They show up to the ride with new bikes, clothes and parts etc. from other sources. and you will overhear many recommendations for

deals to other shops or on-line. How do you promote sales from your shop to these group riders? (Mary O'Neil Willoughby, O'Neil's Bicycle Shop, Gardner, Massachusetts.)

>My experience has been exactly the same. Just last week one of our Tuesday ride regulars was hanging out in the shop waiting to pay for his GU. He starts chatting with a woman who was in the process of buying a pair of shorts and a jersey. Right in front of me, the idiot tells the lady that a certain mail-order company had those at 40 percent off and free shipping. The lady thanked him and put the clothes back! My jaw dropped! I took the moron aside and pointed out he just "stole" \$120 out of my pocket. He totally didn't get it. He totally believed (and still believes) that saving that lady a few bucks was doing the right thing.

Next time he shows up at 5:15 on a Saturday with a broken spoke, I'll tell him to send it to Nashbar, because maybe they can do it cheaper.

I like having the rides start at my store and getting more people out there riding, but I feel like a bit of an enabler. (Clarke White, Clarke Cycles, Essex, Connecticut.)



>It's the same as when your daughter's boyfriend comes over to visit. It's your roof, you're in charge. You can exclude anyone from your store, your ride, etc.

Let them know in no uncertain terms that if you see them again, you will call the police and have them charged with trespassing. People like this do the most damage in person, just like you close the

most sales in person. They can't do nearly as much damage when they can't be there.

And if you have a ride filled with non-customers, end that ride, start a different one, don't tell the non-customers and invite some customers.

You are offering a privilege and a loyalty reward, not a right.

This is in the context of a shop ride for shop customers. If someone wants to host an open-to-all community ride that is precisely that, then this is also a fine thing. The point is, the host has the right to govern the ride according to its published purpose. (Jeff Koenig, Big Poppi Bikes, Manhattan, Kansas.)



>There is generally a customer "lifecycle" in which we have a certain amount of time to spend with them, to maintain a relationship profitable to both, before they move on. Shop rides expose them to new friends and peers, and as exposure increases, the lowest common denominator will come into play. As in, "Here's how you

can do something you enjoy for less money, because you're

smarter than that... Look at us, we're all smarter than that."

The "relationship" stuff only goes so far, because most relationships only go so far. We really have very few lifetime, committed relationships we can look back upon. The important thing is not to take personally that which you cannot change. Accept that these things happen, and do what you feel right doing. If that means having a shop ride where you're exposed to the enemy, but you really think it's important to have a shop ride, just do it. If that means working a century where you have to get up at some ungodly hour to help out a club whose members all wear Performance clothing and buy Mavic wheels from ChainReaction Cycles.uk, so be it.

But you can be part of change. You can, instead of just seeing all these "customers" as evil, confront them in a way that might give them pause. I'm sure you have community projects that need money. Tell the people on your rides or at the events that you need help from other retailers to get behind something, tell them what you're doing as a store, and ask them to see if they can get the places they buy from to help out. Maybe provide a form e-mail they could send, asking for a modest donation towards your project. And do it as if, of course, this is something any cycling company should be happy to do because it keeps bikes on the road, which keeps them in business and everybody happy. Make them pay their way.

Of course, they won't. And of course, the message will fall on largely deaf ears. But you might incrementally extend the part of some customer's "lifecycle" that involves a profitable and pleasant interaction with your store. And you might better understand your own place in the cycling community in a way that puts you at peace, because you can pretend you're not helpless, that you're accepting change and trying new things that might make things better. (Mike Jacobowsky, Chain Reaction Bicycles, Redwood City & Los Altos, California.)



>To me, the most important part of hosting a club ride or putting on a shop ride is that I want to do that. I look at it as giving a gift. I give that gift knowing it will be enjoyed by the person, but I will probably not get a thank-you back.

The business side of the rides is that we get people into our stores. That gives us and our staff the opportunity to be in front of our potential and long-term customers. If the ride is too commercialized and you are hard-selling the entire time you won't sell a thing.

We have had a Wednesday night dinner ride for decades. We ride 25 to 40 miles to a different neighboring town every week, usually for beer and chicken, using our school bus and trailer for the return. These work out really well because we actually sit as a group (or groups) for dinner. On the return trip riders will approach us on the bus or in the store parking lot when unloading about a noise or bad shifting. We will typically write up a ticket at that time and the customer leaves the bike.

We have an average of 40 to 50 riders half of whom only ride on Wednesday night. That means if we did not have these rides they would not ride, and we would not have them as customers.

In fact, when selling a new road bike I always mention the Wednesday ride. It appeals to people that they are not riding by themselves. They are able to make new friends, and it gets them on their bike for two to three hours every week. (Of course, the all-

you-can-eat fried chicken negates any physical benefit.)

The way I look at group rides is that we are selling cycling, not just bicycles. (Tyler Bickel, *Bickel's Cycling & Fitness, Burlington, Iowa.*)

IS THE BIKE BUILT?

>I've always used Walking Bird/Sutherland's bike inventory tags for keeping up with bike inventory. In an effort to reduce the amount of paper that I have to lose, I want to keep my bike inventory in my POS only and I want to know what bikes are built. I don't want a file box of triplicate cards that always seem to be out of order or missing when I am looking for them, but magically correct when I go to organize it.

Do any of you have a method to keep track of boxed and built bike inventory that is similar to the numbered system of the Walking Bird tags, but without wasting a triplicate-copy card? (Kent Cranford, *Motion Makers Bicycles, Asheville, North Carolina.*)

>Here is how we handle this: Bikes in boxes are given a number. We do that when they arrive. When the bike is built, we change the given number to the actual serial number. It works, it's easy. (Rick Schmitt, *The Bike Shack, Dubuque, Iowa.*)

>When we receive a bicycle, a "temp" number is created by DRS Serial Editor. When the bike is built, the temp number is overwritten and moved to the "built" column in DRS Serial Editor. (Jared Durst, *Durst Cycle, Champaign, Illinois.*)



>It works much the same in our AIMsi POS.

The POS system creates a temp identifier called an "ISI" (In Stock Inventory?) number. When the mechanic physically builds the bike, he also "assembles" the serial number in AIMsi. (He opens a screen, types in the ISI number, then the actual serial number and the date; his/her employee code is automatically recorded with that info.)

Then, anytime we look up bikes in inventory, we can see whether each bike is in the box (it has an eight-digit number starting with "ISI") or built (it has a 100000 alphanumeric serial number).

If we go elsewhere in the program, we can find the "Detail" screen for that individual bike and see the date built and who built it. Because of human errors/omissions, it is not foolproof, but it works pretty well for us. (Ken Bradford, *Ken's Bike-Ski-Board, Davis, California.*)

>Each of our bike builds is checked by one of our lead technicians; there is always at least one on duty. (Even our lead techs have their bikes checked by someone else.) The person that checks it over signs off on the bike and enters the correct serial number into the computer.

If there is a problem with the bike, the serial number does not yet get entered; thus it can't be sold. These bikes are put in a special area in our basement called "Sick Bay" until they can be properly repaired and the assembly finished.

We also hang in this area any partially assembled bikes. Each bike is to have a mechanic's tag on it for him to finish on his next shift. If he forgets, then the fact that his tag is not on his bench should remind him that he has an un-finished project in Sick Bay. I think our system works great! (Mike Genrich, *Michael's Cycles, Janesville, Wisconsin.*)

The NBDA E-Group is a forum where independent bicycle retailers can share news, opinion and advice about their businesses. It is open exclusively to NBDA dealer members, any of whom may join. To subscribe, go to www.nbda.com.

BEST PRACTICE

HOW WE MANAGE CARDBOARD

Recycling made easy.

By Dan Thornton, *Free-Flite Bicycles, East Cobb, Marietta, Canton, Georgia*

We have a detailed process for placing cardboard out back for the recycling folks to pick up:

- 1.) Use a box cutter to slice open the box top along the corners.
- 2.) Remove all contents.
- 3.) Separate all small cardboard pieces, flatten them and place them into an empty bike box. We keep one in the bike-building area until it's stuffed, when another one will replace it. The loaded one is pulled out to the cardboard pile and stood upright for pick-up.
- 4.) All plastic is to be placed into a large plastic bag for plastic recycling.
- 5.) Zip ties are kept for use in packing shipped bikes.
- 6.) All paper is thrown into another bag.
- 7.) Cut the bottom of the box like the top was, flatten the box and stack it on the pallet outside.

Another pallet is placed on top to keep the boxes from blowing around. When the pile gets about 4 feet tall we start another pile next to it.

Madone boxes are kept for sale at \$25 each with all shipping contents put back in them for the customer to use.

We have a couple of different cardboard scavengers that will drive by and take all cardboard for recycling. They love our flat boxes because it's easy for them to pull in, load up and go.

CLASSIFIED

Sales and mechanic.

Alaska business located in Haines and Skagway seeks mechanic/retail sales person for the 2012 season. Must be 23 or older and available to work a minimum of 3 months between 4/1-9/30. **Apply online at www.cyclealaska.com/application.html. Call 877-292-4154 for more information.**

profile

A MEAL FROM LEFTOVERS

A big meal. This retailer puts together several product categories on the fringe of the bike business and creates a lucrative niche in his urban market.

Story and photos by Chris Lesser

If most of the bikes he sells didn't fold down to the size of a microwave, Bert Cebular would never get them all into his 300-square-foot showroom on Manhattan's Upper East Side. But fold they do, and NYCeWheels manages to display more than 20 different folding bikes in addition to a deep inventory of fold-up kick scooters and a small phalanx of electric bikes—both electric-assist and throttle-actuated models—plugged into wall-chargers and ready for test rides.

Folding bikes, eBikes and adult kick scooters—no, this isn't your typical bike shop. But by embracing categories often shunned by traditional IBDs, and by employing complementary in-store and on-line strategies, NYCeWheels (pronounced: "nice wheels") has notched strong growth every year since it opened in 2001.

How strong? How about double-digit percentage growth in sales

annually over last 10 years, with adult kick scooter sales (NYCeWheels' smallest product category) nearing a quarter-million dollars last year alone. Nope, certainly not your typical bike shop.

Opportunity Knocks

Ask Bert Cebular if he ever thought he'd be running a bike shop some day, and you'll get a hearty chuckle out of the affable Austrian. "If you had told me this 10 years ago I would have said, 'Are you crazy? Fixing flats for \$10? No way!'"

Back then, Cebular was running a high-end general contracting business, where he would work long hours for a few weeks on end and then escape to an airfield for several days to indulge his interest in ultralight airplanes and hang-gliders.

But when he wasn't in the air he was getting around New York City on any number of electric-assist vehicles he collected to check on con-



It's bigger than it looks. Cebular also rents three basements and three back yards for storage.

struction jobs. “I sometimes had 10 meetings a day, and the quickest way to get from job to job was on a 10-mph fold-up electric scooter,” says Cebular. “And to get from Manhattan to Forest Hills where I used to live I used a home-built electric bike.”

The space Cebular rented for his construction business on Manhattan’s Upper East Side had an office in the rear and an unused showroom in the front that Cebular turned into an ad hoc parking garage for his modest fleet of kick scooters, bikes, recumbents— even an electric motorcycle.

“It looked like a shop,” says Cebular. “People used to knock on the window asking about the bikes, and I’d have to explain that it wasn’t a store, it was just my hobby.”

For a while he thought to turn the front 300-square-foot storefront space into a showroom for cabinetry. But he got so much interest in his vehicles that he decided to order 10 scooters and 10 bikes and sell to people in the neighborhood. And so NYCeWheels was born.

A Two-Prong Approach

Though the spark was his passive interest in his personal collection, Cebular was far from passive about growing the business, both on the ground and online. After incorporating and getting a basic web site set up, Cebular opened for business in what would turn out to be perhaps the worst month in modern memory to open a new small business anywhere in the country—September of 2001. Let alone to open just six miles up-town from Ground Zero.

But from very early on, Cebular’s strategy to make the brick-and-mortar store and the on-line store complementary helped buttress the business. “I set up a Yahoo store early on and got my first order three weeks later. I was really excited,” he recalls.

Fast-forward through countless running iterations and NYCeWheels’ robust web site draws traffic from all over the world. Custom sales interfaces, like his “Brompton Configurator,” lead customers through assembling built-to-order bikes complete with personalized accessories.

**“If you had told me this
10 years ago I would have
said, ‘Are you crazy?
Fixing flats for \$10?
No way!’”**

To support sales, Cebular and his staff have produced 50+ videos illustrating the features and benefits of Brompton bikes alone. Nearly every bike and scooter NYCeWheels sells has a custom video review on the web site, and five years after starting a YouTube channel for the shop NYCeWheels is closing in on one million views.

But the physical shop is not just a shipping and receiving hub for the on-line business. The two are much closer in revenue production than one might think, because the web site facilitates in-person sales. “Four of five customers who walk in recognize Peter the first minute,”



“I think that’s what we do best—find a few little products that we like and can get behind because they’re reliable and the companies are easy to work with.”

says Cebular. (Peter coordinates Internet marketing and stars in the store’s many product review videos.)

Walk-ins have had to search for the store. “We’re not in Times Square, where people look in and wonder what we’re doing. We’re out in the Upper East Side where no one will find us by chance.

“People find us primarily through web searches, and I like it that way. The shop becomes very efficient. When people come in here, they’ve already done their research, so they ask a few questions, ride one or two bikes, and they’re done. There’s not a lot of browsing. Instead, 80 percent of our time here goes into the web site, making them come into the shop.”

He describes his neighborhood as a mix of young and old, rich and poor, with (relatively) little street traffic. “If you’re on Lexington Avenue you have 50 yellow cabs out in the street at all times. Here you just have to get through one traffic light and then it’s one block to the park. A lot of our customers are older folks, and this way they’re not intimidated to go on test rides.”

In a world of boiler-plate IBD Web sites, NYCeWheels stands out for its polished custom product videos and integrated customer feedback. Each product page contains photos, videos and technical info, as well as a record of Facebook comments and questions. The multi-media result gives visitors a detailed picture of the product they’re looking at.

"I'm not a programmer but I've always loved computers and played around with software. I'm not even an HTML programmer, but I know what's possible and can tell my contractors what I want, and I know about what I should pay for it, or at what point it makes sense to figure it out on my own," says Cebular. "If you know nothing about it, you're probably going to pay a lot more."

Push Scooters, eBromptons

One thing Cebular does know is that all the marketing he does on behalf of the products he sells can easily have the unintended effect of promoting brands that consumers can go elsewhere to buy. Some of that is unavoidable, but Cebular tries to minimize his exposure by working with brands that permit him to sell products on-line. After researching products on its site, he hopes consumers will feel they've established a rapport with NYCeWheels and can easily complete the transaction by adding an item to a shopping cart or picking up the phone.

Having an exclusive territory helps, too, as does having a unique product. Take the "KickPed," for example. After years of selling various scooters, Cebular decided to go straight to a manufacturer and spec a NYC-worthy model under his own brand that he could sell exclusively.

Some IBDs may groan at the memory of the Razor scooter fad that hit the country in 2000, with the ensuing price wars dominated by mass-merchant retailers and online mega-stores like Amazon.com. But the adult scooter category has been quietly persevering for Cebular, and



Scooters are an obvious juvenile product, but in Manhattan they have adult fans too. Cebular sells his own brand.

the \$239 KickPed has proven a reliable revenue generator.

While NYCeWheels does continue to sell several other scooter brands, such as the made-in-the-USA Xootr brand, dealer agreements sometime limit them to in-store sales. But Cebular is free to sell the KickPed scooters he privately sources both in-store and on-line—a proposition which lets him easily rationalize the cost and effort of promoting the product on-line.

Warehouse space is always a concern for a New York City shop. On top of his 500-some-square-foot of retail and office space, Cebular has a 20x20 backyard and rents the two neighboring backyards. For more storage and workspace he also leases two basements on his block and a third a few blocks away.

But while kids' bikes can be a perennial pain to warehouse, assemble and sell, scooters are low-maintenance, compact and easy to stock-pile. They appeal not only to kids but to adults looking to save on



The store also sells Bromptons with electric motors. "To sell 50 electric Bromptons isn't that crazy a number, but multiply 50 by \$3,000, and it starts to add up," says Cebular.

SPECS

NYCeWheels

New York City, New York

Years in Business: 10

Number of locations: One

Square feet: 500 retail and office, plus 400 square-foot back yard, two adjoining backyards, two basement storage locations on the block, and a third two blocks away.

Number of Employees: 5-8 full-time depending on season

Major Bike Brands: BionX, Gepida, Stromer, Kettler, Dahon, Brompton, XOOTR, GoPed, A2b, eZee

Annual revenue: \$2,500,000

Web: www.NYCeWheels.com

BRAVE NEW WORLD

The eBike may have come to stay.

Bicycle-borne deliverymen—often apron-clad workers from Chinese or pizza restaurants—have long been a staple of New York City streets. While this is still very much the case, anyone with an eye for bicycles may have noticed a change in the last few years: they're not pedaling anymore.

Chinese food delivery workers, in particular, have embraced eBikes, and it's no wonder. More than 35 million eBikes have been sold into China in the last five years alone. By comparison, all of Europe last year accounted for just over a million units. And the U.S.? Estimates vary, but the annual unit figure is likely somewhere south of 100,000.

The eBike category has been around for more than a decade, and as battery, motor and computer technology have progressed it has matured—and divided. The cheaper, heavier class of eBikes used by many delivery workers use lead-acid batteries and often come straight from China complete with cheap components. Product support? Good luck, even if you speak Mandarin.

The second group of eBikes are more akin to what IBDs are accustomed to selling in terms of construction quality and components spec, but with lightweight lithium-ion batteries and sophisticated, electronically actuated, hybrid motors. Most amplify pedaling forces through a proportional torque sensor rather than providing outright power on demand with throttle. Even though they've been slow to take off in the U.S., major players including Trek, Kona and Giant have all fielded eBikes in the last several seasons.

Cebular is very familiar with the trends. He used to sell and service the bikes of food delivery workers, and he has the burned rubber marks on his showroom's hardwood floors to prove it. Otherwise, Cebular sees two kinds of eBike customers—non-cyclists looking for a clandestine motor scooter, and cyclists looking for a little help, whether to overcome an injury, keep up with a spouse or to arrive at work after a sweat-free commute. He prefers to work with the latter group, and has been selling and servicing a rotating cast of eBike brands since he opened in 2001.

But it hasn't all been roses. "Electric bikes can be complicated to work on, and we usually don't touch them unless they came from here. I tried in the beginning to service any eBike that came through the door thinking 'Oh, I have to help them out, and then they'll buy the next bike here,' but once you touch something it becomes your problem, no matter what happens, and I've had to learn to say no.

"The dark-side of the electric bike biz is that there're so many bikes bought on-line that are thought to be so great, but then the consumer can't service them if he has a problem, and the local bike shops can't help.

"Our eBike customer base is made up of baby boomers and commuters," says Cebular. "But we also are seeing more and more comfort-bike sales, too. These we'll usually ship down south to Florida, Arizona or Southern California—we sell to a lot of gated communities."

Cebular's biggest seller in the eBike category is the BionX conversion kit from the same company Trek partners with for its eBikes. They come with a rear wheel built around a hub motor, and retrofit to almost any traditional bike. The kits sell for between \$1000 and \$2500, and NYCeWheels mechanics have as much experience installing and servicing them as any shop in the country does.

The obvious benefit of going with a kit is that customers can keep their existing bike. For those looking to pick up a purpose-built complete bike, Cebular sells complete bikes from A2B, Gepida, eZee, Kettler and Stromer.

—Chris Lesser

MetroCard fares as well.

Even when the product isn't proprietary, Cebular often finds a way to give it a NYCeWheels stamp. Brompton folding bikes, for example, aren't currently offered in an eBike version, but NYCeWheels customers can get a Brompton pre-built with an electric conversion kit today. While there's nothing stopping another retailer from converting a Brompton to electric, NYCeWheels has the advantage of already having completed 50 such conversions, not to mention the eBike experience and know-how, to help make the sale.

"To sell 50 electric Bromptons isn't that crazy a number, but multiply 50 by \$3,000, and it starts to add up," says Cebular. "And I think that's what we do best—find a few little products that we like and can get behind because they're reliable and the companies are easy to work with.

"And, of course, if we can establish that our customers like them, then we'll take those products and run with them."

Taking To The Street

For a business that spends so much time and effort on its web site, NYCeWheels has a couple of in-store programs that any brick-and-mortar IBD could benefit from. One of the most visible is to organize regular Brompton group rides. While Cebular stays away from rentals, he does offer tours on the store's fleet of taxi-cab-yellow Bromptons, which has the dual benefit of getting whole groups of potential bike buyers familiar with the shop and the product and providing a rolling billboard in the form of a convoy of NYCeWheels-branded bikes.

Another in-store tool greets customers the minute they walk in the door—a long bank of sales brochures. Cebular prints them using Microsoft Publisher, which draws data right out of his custom POS and inventory software. The resulting one-sheets list product features and benefits, plus prices and pictures, for individual bike and scooter models. Customers are encouraged to take brochures home and Cebular says he's seen people come back in the door years later with an old sales sheet when they're finally ready to buy.

This is an old idea with a twist. "The important part is that it's not a manufacturer's brochure, it's our brochure, our branding," he says. "I think that's what bike shops don't do enough of—they don't sell their shop, they sell Trek or Schwinn. They should be selling 'Joe's Bikes.'

"Your brand is very important. Many manufacturers pass through and hopefully we can hold onto the ones we like, but bike shops can't just sell Trek. They have to sell themselves. It seems that regular small bike shops never do that."

And those \$10 flat-tire repairs? Cebular's mechanics are often too busy building bikes for spot repairs or even regular tune-ups, so they often end up sending the business to the local bike shop down the road.

HOW TO RECRUIT AND HIRE THE RIGHT PEOPLE

You can't "wing it," says this consultant on employee hiring and retention. You need a hiring system with these six steps.

By Bob Losyk

The best thing you can do for your competition is to hire poorly.

Unless you can get better employees than your competition, everything else you do is meaningless. Your competition can copy everything you have in your store, but they can't copy your people.

So never hire out of desperation. As desperation goes up, standards go down. Do you think your customers' standards are going down? No, of course not. They want everything done better and faster.

If you hire the wrong people out of desperation, they will not only scare off your customers, they'll scare off your good employees. Good people don't want to be working with druggies and the jerks. They want to be working with good people. People want to be part of something good.

But how do you find the good people so you don't have to hire out of desperation? There are six steps to a successful hiring system:

- 1.) Create a success profile for each position.
- 2.) Create a recruitment campaign.
- 3.) Telephone-screen candidates.
- 4.) Interviewing and testing.
- 5.) Reference and background check.
- 6.) Final decision.

Step one: Create a success profile

Every position you hire for, whether it's sales, repair, whatever, has a success profile—the things that make a person successful in that position. So ask yourself, what would make a person successful in each position? That's what you need to look for in the interview process, and that indicates the kinds of questions you need to ask.

Come up with 10 absolutely critical skills and behaviors for each position you hire for. They include things like dependability, decisiveness, enthusiasm, ability to prioritize, interpersonal skills, integrity and honesty, ability to work under pressure, cooperation and teamwork, initiative, innovation and self-motivation, oral and written communication skill. Then you can develop questions to uncover those skills and behaviors.

For a repair position you'll need some specific technical skills, but all positions that interact with the public, especially sales, need to have what I call "customer service DNA."

Step Two: Recruit candidates

Always be looking for people—always, always. Spend more money on recruiting, because it's less than the cost of turnover. Have a place on your website dedicated to recruiting, and put your job application there. One trick that's easy to do is a short video of current employees telling why it is great to work at your place. Post it on your website.

Community involvement and volunteerism can aid recruitment. They are among the best ways to create a unique image for your

business, and they attract good people.

Recruiting may require advertising, maybe in print, maybe online (including your website). But you have to have a compelling message. You have to get your culture in there, the things you have to offer them, in the headline. If you mostly hire people under 35 years of age, saying "Help Wanted" means "Boring place to work." You've got to have something that says, "Come join our exciting team."

Or the headline has to be funny or unique. One ad had this headline: "If your current job sucks, send us your resume quick." I called the company, and they said the ad got a tremendous response.

Often, radio ads can be less expensive than newspapers and can be more productive. Advertise on stations that young people listen to. Try community and trade publications. In newspapers, try different sections: sports, business, etc. Vary the headline and type size and font. Make the ad unusual or eye-catching. Busy layouts attract better than neat ads.

When interviewing, don't compare applicants to each other, compare them to the success profile.

State your competitive uniqueness. Make your ad humorous, unique, believable, humane and personal. Include a call for action.

Also, re-recruit. Your "alumni" are good people who have left you on good terms. Stay in touch with them and re-recruit. You never know when someone will come back. But only bring back a person once. After that, I'd feel like they were using me, always looking for greener pastures.

Keep applications and resumes of those who didn't take your job offer. They may not be happy with the job they took, and you can re-recruit them later.

Recruit later those you didn't hire but have potential. Maybe the timing wasn't right, maybe they needed a little more maturity.

Referrals are gold. Create a serious employee-referral program, with a bonus paid for bringing in a good employee. Research shows that good employees only bring in good people. The chances of them bringing in somebody not good are slim because they don't want to look bad themselves.

To avoid creating too much of a clique of buddies who want to play instead of work, the person referred has to go through exactly the same interview process as anyone else. Make it clear, maybe by sitting both down together, that this is work, not play.

Hiring the spouse of an employee can be problematic, however. You can be bringing the nightmare at home to work. Find out if the

couple have worked together before, and call that other employer to find out how it worked.

Ask new hires for referrals. Within his or her first week on the job, ask if there is anyone at their previous job they would recommend. Even ask the applicants you don't hire.

If you offer an applicant a job and he or she doesn't take it, ask why. Ask for two or three reasons, because that can improve your interview process.

Step Three: telephone-screen all applicants.

When someone responds to your ad or referral, create a warm inquiry system. Whoever takes the call must be nice and welcoming about it, and explain the interview process. Make it easy to apply. Roll out the red carpet when they come in. Make them feel terrific.

But use the phone to pre-screen applicants. After all, you're busy and don't want to waste your time unless you know the applicant is at least somewhat of a fit.

So ask them some knock-out questions. If you need them to drive as part of the job, do they have a driver's license? If you need them to work nights or weekends, will they do that? Do they have transportation to get to work every day? Where were they previously fired from and why? Can they bring a copy of their latest performance review to the interview? And about how much do they need to be paid? If you can't meet that, there's no sense in wasting time talking, so it's a knockout question.

Step four: interview

When interviewing, don't compare applicants to each other, compare them to the success profile. Suppose you interview five people and none of them match your success profile. Instead of hiring the least bad of the group, interview more people.

Don't delay the interview or interrupt it. Interview at the time you said you would. Communication will be more open if, instead of speaking across a desk, you sit at a 45-degree angle to them. The desk acts as a barrier. All the research shows that the good interviews last 30 minutes, and the best interviews last between 30 and 45 minutes.

Always maintain good will in the interview and treat the candidate royally, because the candidates can be future customers. Also, they'll talk about you. If you don't treat people right, they'll tell everybody and they'll make it worse than it was.

Here's a cardinal rule: the behavior of the candidate in front of you is a very poor predictor of what they will do on the job. Because what you see in front of you is interview behavior. That's totally different from job behavior. You've just seen someone faking a job interview, because they need a job.

But we know that past job behavior predicts future performance. So if you ask a lot of questions about past job behavior you can usually predict what people in similar circumstances will do. And that's why you want to ask questions about the 10 key success skills and behaviors.

NOW, MORE THAN EVER

Your voice is needed to convince Congress to support bicycle facilities for your customers.

In past years you may have considered joining your fellow bike dealers in Washington D.C. for the National Bike Summit but put it off. But with some Congressmen arguing that bike facilities should be eliminated entirely from the next Federal budget, this could be the make-or-break year.

This could also be the year when small-business owners—bicycle dealers like you—take center stage in the lobbying effort. Job creation is on the mind of every politician who has one, and it's well known that small business creates the majority of jobs.

Not sold yet? Here's an incentive you can put in your pocket: the NBDA will pay your travel expenses to D. C. That's right, you can do good for free.

Well sure, there's a catch or three:

- This will have to be your first trip to the National Bike Summit, the thinking being that when you've gone once you'll see the value and want to go again on your own dime.
- You have to be an independent bicycle retailer to be eligible.
- You have to be an NBDA member.

If you meet those minimal qualifications, go to NBDA.com, fill out the application, and you may be one of 25 NBDA "scholars" receiving expense reimbursement up to \$1,000 each. (Expenses above \$1,000 are on you. Yes, we know it's Washington, but limos, penthouse suites and champagne breakfasts are not in the NBDA budget.)

As you probably know, the National Bike Summit is the annual gathering of bicycling advocates of all kinds. Workshops share ways of moving the levers of power in your state and city so that bike users can share in transportation budgets. With Federal budgets becoming tighter, the action is moving more and more to state legislatures and city councils. Workshop attendees learn how to become more effective advocates at the local level.

A highlight is a day spent on Capitol Hill in the offices of the Senators and Representatives who will be voting on the next Federal transportation bill. Bicycle retailers are key here, because they carry the message that bike facilities mean jobs on Main Street.

Past attendees have said they've returned home charged with new optimism and enthusiasm for all things bicycle—which might be worth the price of admission right there.

The dates for the 2012 National Bike Summit are March 20-22. Go to www.bikeleague.org/conferences/summit12 for more information.

To be awarded a \$1,000 scholarship, submit your on-line application to the NBDA by January 18. Scholarships will be announced by February 1 to allow enough time for making affordable travel arrangements.

Ask questions that go narrow and deep. Asking, "Tell me about yourself" is too vague and broad. It allows the applicant to talk about what he wants and control the interview.

Instead, create open-ended interview questions to elicit whether they have the items on the success profile, using these phrases: "Explain to me . . ." "Review for me . . ." "Describe for me . . ." "Tell me about a time when . . ."

For example, to elicit decision-making: "Tell about a time when you had to make a difficult decision." Or prioritizing: "Tell me about how, in your last job, you went about prioritizing things, sorting out what's important from what's not." Or interpersonal skills: "Describe for me a time when you had to deal with an irate customer."

Then, you probe deeper. After asking, "Tell me about a time you had to make a difficult decision," follow with, "Why did you do it that way?" "What did your boss think about that?" "What did you learn from that?" "What went wrong? Right?" "What would you do differently in that situation?"

One of my favorite questions is, "Tell me about a time you worked on a project that failed." One reason is to see what they learned from failure. Another reason: to see who they blame for the failure. Do they take responsibility themselves or blame everybody else?

There's no point asking, "What are your strengths and weaknesses?" because that's just asking for BS. Instead, ask, "What areas do you think you need training and development in?" Asked that way, they will tell you their strengths and weaknesses.

Integrity and honesty can be tough ones to discover. One way is to ask, "Tell me about a time in a past job when you saw someone steal or do something dishonest. How did you respond? What did you do?" Or: "Have you ever been tempted to . . .?"

Here are some question do's and don'ts:

Stay away from asking if the candidate is married, divorced, single or living with anybody, has children, owns a house or rents. Don't ask about debts, but in most states you can do a credit check. Don't ask for age. Don't ask about health or disability, though if a person has a disability you can ask how they would be able to perform certain aspects of the job. For example, "I need you to lift bicycles, can you do that?" Don't ask if the candidate is seeing a shrink or taking prescribed drugs. Don't ask a female, "Do you think you could perform the job as well as a man?"

But you can say you are a non-smoking business. If smoking is an issue for health insurance, you can ask about that. You can ask, "Is there anything that you prevent you from doing the job?" You can require a physical exam and a drug test.

As you ask questions based on your 10 core behaviors, you can score the candidate, say 1 to 5, on each.

Have two people give the candidate exactly the same interview, maybe one in the morning and one in the afternoon. Take notes, score both, and compare notes later. Some people will lie, will change their story between the two interviews, and you can look for that.

You want to get information from the candidate first, and give out your information only at the end. Often, the candidate is nervous, and to relax them and get them talking you tell them things. You tell them what qualities you are looking for, what the elements are of your success profile for the job, what the perfect candidate looks like. And then when you ask them questions they just spit it back to you. So give them information at the end of the interview.

Tell it like it is. Don't oversell the job. Tell them what the worst day is like.

Then, be very cordial, walk them out, and let them know what happens next: "I have three or four other people to interview, and I will call you by such and such a time and day."

Step five: Reference and background check

Your application should have the following above the applicant's signature:

- Certification that the information given by the applicant is true and correct, and that false statements on the application are grounds for denial or dismissal.
- Statement declaring the application is not an employment contract.
- Statement declaring that you have the right to fire with or without cause, subject to the laws.
- Authorization to check references and do a background check.
- Release of liability for the reference or firm supplying background information.

Actually check references and do background checks. They cost, on average, about \$30. One inexpensive on-line source is rap-sheets.com. Check all applicants, not the ones you feel like checking, or that could be seen as discrimination.

You can say to the applicant, "If we can't check references, we don't hire." Ask for three references, and ask the applicant to contact the reference and set up the phone interview. That shows initiative in the applicant.

Try to talk directly to a supervisor, not Human Resources, because HR people are taught to say as little as possible. When you call the reference, the first thing to ask is, "Would you rehire this person?" If they are reluctant to answer, say, "I only want to talk about good things about this person." No one can get in trouble discussing the good things. If it's a short conversation, you've got your answer. Or say, "If you don't give me some feedback, I can't hire this person, so I wish you'd give me something."

You can say, "I notice you're hesitant to talk about this person. Did you have problem with them, yes or no?" Many times they will answer. Or ask, "Do you think I should do a criminal background check?" and wait for the answer.

Ask, "What areas does the applicant need training and development in?" As in the interview, it's an easy way for someone to talk about weaknesses.

Check school transcripts, motor vehicle records, workers comp history (you may discover previous employers the applicant didn't want you to know about), and do a Social Security trace to verify identity.

Yes, all this takes some time. But how much is your business worth to you? It's your baby, why would you invite someone into it without checking them out?

Step six: Final decision

Before hiring someone, have your whole team sit down with the person, maybe have lunch with the applicant. After all, they will have to work with him. They will see things you don't see. And it prevents you from hiring yourself. A lot of us like to hire people similar to ourselves, and you shouldn't do that. Also, you're giving out the message that your team's opinion is valuable, that teamwork matters.

For a free newsletter, e-mail bob@boblosyk.com.

the ibbd summit

A Retail Academy & Industry Networking Event

Hosted by: **interbike**



The Summit will feature top-level, keynote speakers, advanced retail education, multiple networking opportunities with the nation's premier retailers and a limited number of key suppliers, as well as first looks at new products from some of the industry's leading manufacturers.

- Network and learn from your peers - the Industry's Leading Retailers
- Crossover social gatherings with the Bicycle Leadership Conference
- VIP treatment at the Sea Otter Classic
- Enjoy fine wine and exquisite dining in one of California's most spectacular settings
- Take in the awesome beauty of the Monterey Coastline with group rides led by industry leaders along the famed 17-Mile Drive
- Advocacy training for your specific markets presented by The Bikes Belong Coalition

Endorsed by:



April 17-19, 2012

Portola Conference Center and Hotel, Monterey, CA

www.TheIBDSummit.com

LASTWORD

MAKING LEMONADE

The Internet left a sour taste, but this retailer bit his tongue, kept smiling and won in the end.

By Erik Kugler, BicycleSPACE, Washington, D.C.

Last spring, I finally went to an evening wine tasting that some local senior-citizen non-cyclists were throwing, after not following up on several previous invites. Surprisingly, I had a great time and they made me feel welcome.

At this event, I met the other “younger” guy. He was talking about getting into cycling and had been riding with a friend who seemed to know quite a bit about bikes. The friend had recommended/convinced Michael to buy a road bike on-line, and he was ecstatic about getting the deal and getting a great bike to go out and ride on.

I bit my tongue and talked about all of the great places to ride, invited him to our shop rides and mentioned that we have a great service staff.

So the bike comes in and it's outfitted completely wrong. The fork did not even fit and most of the parts were mismatched. Piece by piece, we corrected his issues and he started joining us on almost every ride we did throughout the season, seven rides per week. Now,

he consistently volunteers at our events and leads rides when we're short of leaders. He has spent close to \$350 with us through the season—not a huge win by any stretch dollar-wise.

Michael's friend also started joining us for rides. He has already spent close to \$2k in the shop, and will likely hit \$4k by the end of the year with the new bike he's thinking of getting—from us. That was the surprising part.

Aside from the money, these guys actively bring people to our shop and our events, and on rides they are very animated, humorous and talkative. In short, they have been instrumental in helping us to build a culture.

I've come to see that if I can actively connect with people while consistently trying to be inclusive, then maybe when a particular action I wanted to happen doesn't, something equally good or better does happen in another way, an enriched cycling experience.



National Bicycle Dealers Association

NATIONAL BICYCLE DEALERS ASSOCIATION

3176 PULLMAN ST. #117,
COSTA MESA, CA 92626-3317

PRSR STD
U.S. POSTAGE
PAID
SANTA ANA, CA
PERMIT 1782



The NBDA proudly supports and endorses the following organizations and events

interbike

Bikes Belong
COALITION



OUTSPOKIN'

january 2012

2011 NBDA EXECUTIVE COMMITTEE

Chairman > Mike Nix
Liberty Bicycles, Asheville, NC

President > Dan Thornton
Free-Flite Bicycles, Marietta, GA

First Vice President > Jerry Hiniker
Superior North Outdoor Center, Grand Marais, MN

Second Vice President > Beth Annon-Lovering
B&L Bike Shop, Davis, CA

Secretary > Bruce Heidlauf
Mill Race Cyclery, Geneva, IL

Treasurer > James Moore
Moore's Bicycle Shop, Inc., Hattiesburg, MS

DIRECTORS

Mary Ann Cash > Cooper's Bicycle Center, Stillwater, OK

Jeff Bailey > Bikesport, Houston, TX

Andrew Boyland > Cycle Craft Inc., Parsippany, NJ

Chris Kegel > Wheel and Sprocket, Hales Corners, WI

Jim Carveth > Bike Rack, Lincoln, NE

Tom Jessup > Chainwheel Drive, Clearwater, FL

Chris Mailing > Turin Bicycles, Evanston, IL

Jeff Seltzer > Palo Alto Bicycles, Palo Alto, CA

Jeff Koenig > Big Poppi Bikes, Manhattan, KS, advisor

Mike Jacobowsky > Chain Reaction Bicycles, Redwood City and Los Altos, CA, advisor

Barry Brenner > SmartEtailing.com, advisor

STAFF

Executive Director > Fred Clements
fred@nbda.com

Marketing & Communications Director > Michael Baker
mike@nbda.com

Newsletter Editor > John Francis
john@nbda.com

Newsletter Art Director > René Gauthier-Butterfield
rgbdesign1@mac.com

Consultant > Dan Mann
dmann@mangroup.net

NEWSLETTER WITHOUT PAPER

To receive a link to the PDF version of the NBDA newsletter *Outspokin'* each month, please send an e-mail to info@nbda.com asking to be added to the distribution list.

SUGGESTION BOX: <http://nbda.com/goto/suggestions>

For more details on the NBDA, its programs and to become a member today, visit www.nbda.com or contact info@nbda.com, phone (949) 722-6909. Media inquiries please contact Michael Baker, mike@nbda.com, phone (949) 202-5500.

PRINTED ON
RECYCLED PAPER

NBDA Independent Concept
www.nbda.com

User ID: NBDA Member
Password: NBDA111#



free classifieds

Name _____ Business Name _____

Address _____ City _____

State/Zip _____ Phone _____

Mail or fax to: NBDA, 3176 Pullman St. #117, Costa Mesa, CA 92626-3317; fax 714-824-6281, e-mail info@nbda.com

