

Q&A Western Canada's Norco at Age 43: Very Fit in Middle Age

BY JOHN CRENSHAW

PORT COQUITLAM, British Columbia—Canada's wrangling over anti-dumping duties on bicycle imports goes back much further than the current controversy. Ironically, '60s-era dumping duties on imports played a big role in launching one of Canada's premier home-grown bike companies.

With heavy duties on bicycles in place in 1964, Bert Lewis calculated that he could land Asian-made frames and parts and assemble bikes in Canada cheaper than they could be imported. He also saw that no one was distributing bicycles and bicycle parts in Western Canada.

He launched Norco (then Northern Cycle Ltd) in Vancouver, British Columbia, that year, assembling bikes from imported frames and parts. He added a few parts and accessories.

Lewis and his team grew Norco into a major force in the Canadian industry, with a full line of about 150 Norco designed and branded bike models covering every niche from skate park to high-end carbon road machines and downhill monsters. It imports complete bikes but also assembles about 33,000 higher-end models in Canada



Jim Harman

annually, along with 30,000 aftermarket wheels.

Along the way, Norco developed proprietary apparel and accessory lines, acquired several key companies, and became a full-service distributor with a strong lineup of products, many of them exclusive to Norco in Canada. The company opened a second warehouse and service center in Toronto to serve Eastern Canada, and now sells

products into two dozen countries. It employs around 150 people, including 25 outside sales reps.

"Bert Lewis is one of the most accomplished, yet unrecognized, people in the bike industry. That's quite a statement but he really is. He's retired now, but stays in touch with the industry," said Jim Harman, Norco's president.

"Norco's one of the longest-standing companies in the North American industry that's remained under the same ownership," he added, citing zero buy-outs and bankruptcies.

Harman's background is in business administration, so he came to Norco through its business side.

"I was a young sporting goods buyer for a distributor that had 500 stores. I was buying from Norco at that time and joined Norco as a result of that. So I've been in the bike business about 35 years, 30 of those here," he said.

Bert Lewis hired and mentored him, eventually making him president.

As a first task, "I set up a distribution branch for them in Winnipeg, Manitoba. Two years later I moved into merchandising management and bike production. It was all under one hat. I became vice president in 1995 and

president in 2000," he said, as Lewis began a transition into retirement. Lewis still visits Norco a few times a week and stays abreast of trends in the industry.

Harman likes to golf and garden, but with three decades in the industry continues to ride a bike. "Mostly on pavement. I do a little off-road, but just when the salesmen go. I've done a bit of downhill, but on a very limited basis.

"I'm 63," he said, demonstrating the wisdom of choosing bike paths over North Shore trails: He'd like to be in one piece at retirement, when he's looking forward to doing a lot of volunteer work with youngsters.

What would you attribute the company's longevity and success to?

Harman: Norco has usually managed to stay ahead of the curve. We became heavily involved in importing European road bikes, Gitanes, in 1968, and that boosted our sales. In 1973, we developed a BMX bike line and began promoting BMX racing and freestyle, and later established a factory team that's won three national titles. In 1984, Norco was one of the first Canadian companies to design and manufacture

mountain bikes for the Canadian market. Because we had an assembly plant and design teams, we could design our own bikes, stem to stern, not just pick them out of a Taiwan bike line. Then, in '91, Norco was the first North American bike company, in partnership with Rock Shox, to design front-suspension mountain bike frames, and followed that with the first interrupted seat tube, fully active, full-suspension bike for the Canadian market. That was the predecessor to the current variable-point suspension (VPS) mountain bikes that helped us become a leader in the North Shore freeride scene. Norco also developed trials-specific and dirt street bikes.

When did Norco begin exporting products?

Harman: We've been exporting our bikes—high-end freeride, cross-country, downhill and flat-bar road bikes—and proprietary lines for about 10 years. We're now up to 24 countries, mainly in Europe, and Australia.

What are some of those proprietary lines?

Harman: It started in the mid '70s with our Axiom line of panniers and bags, which are now in all 24 of those coun-

tries and with six distributors in the United States. We launched the Bike Guard lock line in 1977, then our Axiom cycling clothing. In 2002, we came out with the Mace line of clothing and protective gear for dirt and urban riding.

Norco's also made some strategic acquisitions. Can you tell us more about that.

Harman: In 1994 we bought Trail-a-Bike, probably the most popular brand of trailing bike in the world. We acquired Stealth car racks and BLT light systems, completely redesigned them, then manufactured them in our assembly plant.

Norco distributes a long lineup of other brands. What are some of the quirks of being a distributor in Canada?

Harman: The Canadian industry has its booking season, where a lot of orders are taken for the following year between September and November. During that time we start shipping those goods and offer a dating program, between April and June. It helps both the dealer, who gets the dating, and the distributor in a short season to forecast demand. Another is brand exclusivity.

We're the exclusive distributor of Haro BMX and adult bikes in Canada, for example. Most suppliers' headquarters are outside of Canada, so they depend on us as distributors to warranty and service and sometimes even market almost all the products we sell.

What's Norco doing in the U.S. market?

Harman: We have more than 100 dealers there, and we expanded our bike lineup for 2007 from 26 models to about 90. We'll continue with this diverse range into 2008. We've been getting a fair amount of requests for our product in the States—bikes, Axiom and Mace, especially—because of our innovations. We'll show a complete range of our bike line at Outdoor Demo and at Interbike.

Are there special challenges in entering the U.S. market?

Harman: We're quite in our infancy in the States. It's a tough market, and there's some very admirable competition. We really respect all the top brands we compete with there and in Canada, the field we're up against.

How about advocacy and cycling promotions?

Harman: Norco's always been one of the most active companies in Canada in promoting the sport. We have special events teams in Toronto and Vancouver to support races, festivals and charity events. We're strong supporters of MS rides, Ride for heart, United Way, a lot of charities. Norco was the first corporate supporter of IMBA's Canadian office when it opened. We're active in Bikes Belong and support Sprockids (a youth mountain biking program) and Pedalheads (a youth riding instructional program), the North Shore Mountain Bike Association, (trail advocacy), and Toronto Green Fleet, (promotes cycle community). We put strong emphasis on youth cycling programs, with the goal of creating lifelong cyclists and promoting a healthy lifestyle. We also sponsor internationally recognized riders such as Ryan Leech, Ben Boyko, Catharine Pendrel and Fionn Griffiths, as well as the top-ranked Canadian pro road team, Symmetrics Cycling.

How does the future look for the bike industry?

Harman: With the increasing demand for environmentally sustainable transportation and recreational options, I don't think the bike business ever occupied as unique and enviable position as it does today. **BRAIN**