

Retail Spotlight

Midwest Cycling Keeps Eye on Inventory

BY RAY KEENER

This month we checked in with Jay Thomas, co-founder of Midwest Cycling, with four Trek concept stores in Omaha, Kansas City and St. Louis. We figured that Thomas, director of marketing, would have some flashy promotion to tell us about.

Instead, we heard a story of careful counting. “A large part of our success is due to inventory control,” Thomas said. “Thanks to persistent pushing from our board of directors, we’ve gradually made the transition from being bike people to being business people.”

Thomas shared the business’ tactics as far as inventory management: “Every hook is floor-planned. There’s a 6-inch hook that holds four Trek 9i computers, with four more in backstock. Every



John Lemen cycle counting at Midwest Cycling.

Monday morning we hit the reorder button, and the POS system refills the plan. We run four stores with 1.5 buyers, which is really efficient.”

Midwest Cycling uses Trek’s Ascend POS system. “My business partner Kent McNeill did a lot of research to make it work,” Thomas said. “One key is to charge full retail for everything, then back that up with a well-trained staff that

justifies what we charge.

“The other big piece for us is cycle counts. Every week in every store we count one product category. It’s basically a running inventory count, instead of one or two huge counts a year. Our shrinkage is 1.4 percent; the sporting goods industry average is 1.7 percent. I wonder how many store owners know what theirs is,” Thomas said.