

# Retail Spotlight

## Open-to-Buy System Works Wonders

BY RAY KEENER

One of the industry's positive trends is more organized dealer-to-dealer learning sessions. Dan Thornton, owner of Free-Flite Bicycles in Atlanta, Georgia, joined one of the NBDAs' Profitability Project information-sharing groups and got valuable insights from a fellow retailer.

"Chris Kegel showed us his open-to-buy system and it looked like something we badly needed," Thornton said. "I'm more of a marketing guy, and our ordering and cashflow systems were not as good as they should be."

Kegel's son Noel spent 10 days setting up the system and running the first few reports. "The reports break inventory down by category and tell you how many days supply you have on hand," Thornton said.

Free-Flite originally broke out its inventory into 120 categories. The store now has 285.



Dan Thornton and his father, Jeff

"We had just four categories for hybrid bikes, now we have 20. We were just categorizing by price and now it's by size, men's and women's. We always thought our best-selling hybrid was 18-inch men's.

When we looked closer, we found that 47 percent of hybrid sales were women's frames. We also found out we were buying too many 56 and 58 cm road bikes. We had over \$20,000 too much inventory," Thornton said.

"It takes a while to undo your old patterns and buying mistakes. As Noel told us, first you have to hit the dartboard, then you can aim for bulls eyes," Thornton added.

To join, e-mail The Mann Group at [info@manngroup.net](mailto:info@manngroup.net).