

Editorial

Small Businesses Can Use Size and Agility to Their Advantage

The global economic downturn leaves little for business executives to be pleased about. But one thing everyone in the bike business seems to be thankful for: we're not in the car business.

The bike industry has benefited from many auto industry innovations. Taiwan's A-Team, an alliance of Taiwan's key suppliers, adopted the Toyota Production System that allowed its members to increase output, shorten lead times and improve on-time delivery.

But few in the industry are looking to the auto industry for role models right now.

Enormous budgets, massive infrastructure and firm production commitments have thrown automakers into a downward spiral. And long lead times and deep debt mean they can alter course about as quickly as a freight tanker.

In contrast, bike manufacturers can maneuver quickly through choppy wa-

ters, adjusting production to meet shifting demand or market changes.

That flexibility extends to bike brands that outsource their production to foreign manufacturers and those with in-house manufacturing capabilities.

As mostly small businesses, bike companies can take advantage of their size and agility to adapt to rapidly evolving market conditions.

Small business owners can make minor cutbacks in staffing without having

to resort to large-scale layoffs. Small business managers can reel in spending, lower forecasts and tighten budgets. And small business employees can go to work on the balls of their feet and be ready to jump in to do what's necessary.

No one can predict how the global economy will fare this year, but companies with the ability to react quickly and make creative changes on the fly will outlast this economic slump.

Guest Editorial

Cycling Sponsorship Sells Even When Customers Aren't Buying

BY CHARLES AARON

How does your brand stay in front of customers in a climate where those same customers are anxious, banks have barricaded the doors and businesses are rethinking every penny spent?

The first thing out of any marketing VP's mouth probably isn't going to be: "sign a major sports sponsorship deal," but maybe it should be. Sponsorship deals in the United States remain strong, and many businesses are continuing to see the kind of brand association sponsorship affords as a marketing lifeline.

Here are four reasons why sponsorship can help a bicycle-related business even in a down economy.

Stay Visible. If there's one thing consumers detest during difficult economic times it's advertisers chasing them

harder than ever to part with their hard-earned dollars. Lifestyle sports sponsorship remains a broad medium where brands gain exposure through pro team apparel, event signage and race day media interviews. And all under the banner of entertainment. Consumers who attend a race or who are exposed to a cycling-related brand through media coverage make no or little connection between that event, the brand and any kind of selling. In this way, companies stay in front of customers without alienating them and stay relevant without coercing them to spend.

Build Relationships. Unlike traditional advertising where you pay a hefty premium for space in your chosen medium, sponsorship really is all about relationships. Even nominal investments

in a program, event or professional athletic team give a company opportunity to build new business contacts, to network with other businesses or to provide hospitality at races in an otherwise gloomy economic landscape. Throw in dealer appearances and team-related promotions and you're suddenly looking at a lot more convincing ROI than a 30-second TV spot.

Invest Strategically. Every dollar counts in today's cycling sponsorship world. If your brand is sponsoring a pro athlete or team, a competent marketing manager should be looking to pair your brand with like-minded organizations that can add a positive halo to your brand. It should be feasible to build a program of like-minded brands: a green business with a health and wellness company, an

all-natural pain relief brand with a product that repairs muscles after exercise.

Seek Integrity. It can be easy to mistake less than perfect ethical practices with full-blown enthusiasm for sports. If your company is considering sponsorship, do your homework, research the opportunity and the manager's track record. Only then make a determination of their operating methods. In professional sports there can be a lot of ends-justifying-means philosophies, but that's never good enough for your company. Take the time to seek and secure the best and you will win every time.

Charles Aaron is managing director of Circuit Global Sports Management, which owns and manages the Kelly Benefit Strategies pro cycling team.