

Fab Five

Penn Cycle

Best Family Shop

Six locations in Minnesota

Years in Business: 50

Number of Employees: 150 in high season and 75 in the off season

Selling to three generations of cyclists is not an everyday occurrence, but for Penn Cycle it's not unfamiliar territory.

Celebrating its 50th anniversary this year, Penn Cycle focuses on getting families to ride together and works to get kids riding bikes early on.

"Putting a satisfied parent and a happy child on a bike can be the beginning of a lifetime relationship. This



General manager Bill Randen and owner Pat Sorensen

is our best advertisement for future customers," said Bill Randen, Penn Cycle's general manager.

The six-store chain's focus is on training employees to talk to customers in terms they understand and to listen to their needs. Randen noted that all his store managers have families who ride together.

To support its wide customer base, Penn Cycle runs leisure rides on Tuesday nights and faster rides for enthu-

siasts on Wednesdays. The stores also put on two six-race mountain bike race series on Thursday nights. During the race series, Penn Cycle also holds a kids' race, which many times has more than 40 kids participating.

Catering to non-enthusiasts, Penn Cycle carries products ranging from trikes to a \$10,000 Trek Madone. Its bread-and-butter bikes are hybrid and fitness models from \$300 to \$700.

Randen doesn't consider Wal-Mart or other mass retailers competition. And even with Target headquartered in Minnesota, and plenty of Sports Authority, Dick's and REI stores around, its family business remains strong.

Penn Cycle's attention to fitting kids and professional assembly wins it repeat business. "We offer customers the option of trading in their old bikes as the children grow out of them, as well as posting them for sale free on our Web site," Randen noted.

"You show them that by buying a good bike and selling it for half of the purchase price later, their child can enjoy a much nicer bike. And it ends up costing no more than a cheap bike once you resell it," Randen added.

Randen wishes specialty suppliers offered more tie-ins to companies like Disney—coordinating kids' bikes to matching locks, helmets and gloves.

He also wishes they offered POPs showing the added value of buying kids' bikes from a specialty retailer.

"I don't think suppliers remember that getting customers on their products from the beginning is as important today as it was in the '60s and '70s," he added.

ers, with Ryan's wife Alison, to Contender Bicycles.

"I'd worked in shops since 1988 and through college while doing the racing thing. I bought the shop where I was working in 1999. Dan and I reconnected in 2001. He came on as a partner and we moved the shop to its current location," Littlefield said.

Colangelo's original business was a bagel shop that he grew into a small chain. Why a bike store?

"I'd done pretty well by focusing on executing well and getting a little better every day, making incremental improvements, and bike shops in the area didn't seem to be firing on all cylinders. I saw a real opportunity to take Ryan's experience and focus on it

Downtown Bicycles

Best New Retail Concept

Fort Lauderdale, Florida

Years in Business: 6

Number of Employees: 7

A little less than a year after its grand opening as a redesigned Giant Retail Partner store, Downtown Bicycles owner Mario Aponte said business has been great.

"As our environment changed, a lot of our business has changed on every plane we operate on. From buying to customer service, everything has been brought up to the level of the environment," Aponte said.

As a Giant Retail Partner, Aponte received help in store layout, planning, design and merchandising—all to create a retail environment that appeals to all kinds of consumers, not just bike enthusiasts.

"We provide a true retail environment, which unfortunately isn't the case for most of the industry," Aponte said. "Many stores are still stuck in the mom-and-pop-hard-ware-store mentality. We can do some things from a merchandising standpoint that really have shown in our one-year experience to make a huge difference, especially in softgoods and women's clothing."

Some of the merchandising techniques Aponte implemented included: placing apparel near the entrance; clearly identifying men's and women's sections as well as triathlon, road, comfort bikes and parts and accessories; professional signage explaining product features and differences between bikes; well-lit and uncluttered walkways; and fixtures on walls with inspirational cycling sayings and photos.

Aponte said his goal was to create

a retail environment comparable to what consumers are used to from nationwide retailers such as Best Buy or mall-type stores. "We wanted to be at the level customers are used to in 95 percent of their other retail experiences. And we've definitely achieved that," Aponte said.



Owners Valentina and Mario Aponte

And his store's transformation has been received positively. Customers have complimented Aponte on his store's look, energy and colors. "We still get a couple of wows even a year later," Aponte said.

The environment, selection and presentation have made women comfortable coming into the store and shopping by themselves. "Before, women were inevitably accompanied by men," Aponte said. It probably doesn't hurt that half of his sales staff and one of his managers are women.

But the transformation goes beyond the store's looks. "We go to lengths not to be that stuffy pro shop that our industry is so notorious for," Aponte added. "The environment is only part of the solution—you have to back it up with selection, service and approach."

Contender Bicycles

Best Pro Shop

Salt Lake City, Utah

Years in Business: 6

Number of Employees: 16

Bicycle racing brought Ryan Littlefield and Dan Colangelo together a decade ago. The latter was an entrepreneurial restaurateur and cycling enthusiast who sponsored Littlefield's team. Littlefield was a racer, team manager and bike shop employee.

They brought competitive instincts, complementary skills and passion for customer service together as co-own-

a little more, to put the systems in place that made it easier to execute," he said.

Colangelo also "brought some prime real estate and working capital that enable us to take some chances we might not have been able to take otherwise," he said.

Both men credit store manager Jim Fearick, service manager Joe Purnhagen and the rest of the crew with the business's recent successes.



Owners Ryan Littlefield (left) and Dan Colangelo

"We've put a team in place that can handle a lot more volume than we're currently doing. We have a great set

Mad Duck Adventure Sports

Best Mountain Bike Shop
Grapevine, Texas
Years in Business: 5
Number of Employees: 3

Mad Duck Adventure Sports only has three employees, which might not be all that unique among bike shops. But when you consider that these three employees are Mad Duck's owners, then you have something, well, pretty unusual.

"We were all former 'Dot-Com-units,' working in the telecom field, and just kind of ran out of gas," said Clarence Muller, one of those three owners along with Terry Musar and Gary Clinkingbeard. "We had done a couple of telecom/IP startups and just couldn't face trying it again. We were all cyclists and sailors, so on a sailing trip in the Virgin Islands in a Red Stripe and rum stupor, it just kind of came up as a 'Hell yeah, let's do it' kind of thing, so we did."

Mad Duck isn't the norm in many other ways as well: beer on tap, beer tastings, snacks on hand and customer-selected music playing. And that's just for starters.

"Our goal was to create a second place for people—that place where they can go without pressure," Muller said. "A place that feels like what we all want home to feel like. We think the survivors in the industry will sell lifestyle, not the illusion of lifestyle."

The owners' love of bikes transcends outside of the shop. Mad Duck has a 31-foot toy hauler with a full RV up front. It's a complete shop doubling as Mad Duck's service department, capable of going wherever Mad Duck customers are riding.

"The RV is on the road 40-plus weekends a year attending well over 100 events," Muller said. "By being on-site and ready to work, customers are

able to knock on the door at anytime. We have done frame swaps at 5 a.m. before a race, rebuilt forks and even done custom builds onsite just before a race."

All of this makes for a very loyal clientele. "We are very fortunate," Muller said. "Our customers are sometimes even embarrassingly loyal, but we really enjoy them. To be true, our customers treat us much better than most of our suppliers, and there may be a relationship-building lesson in there for our BPSA (Bicycle Product Suppliers Association) members out there."

With customers as loyal as Mad Duck's—even when things get a little hectic—the owners don't feel they need to even think about hiring a fourth or



Chuy the wonder dog with Mad Duck owners

fifth employee.

"We have the Mad Duck all-volunteer army which helps us keep up," Muller said. "Quite often I'll hear our customer take a new customer that walks into the store and sell them a bike or upgrades—it's fun to watch."

Don't expect Muller to trade in his clipless for loafers anytime soon. "The truth is a bad day on the trail, any trail, beats the best day in corporate life, hands down," Muller said. "Customers who come off the trail, telling stories of their successes on the ride while drinking a beer and hanging with their family and playing ball with Chuy the wonder dog—it doesn't get much better than that."

of guys who in many ways are much more capable of running a great shop than I am. They're on board with the program, trying to do a great job," Colangelo said.

"Pro shop" implies racing. The store does sponsor a racing team and races, but it also sponsors charity rides and its own club of recreational enthusiasts who ride for exercise and cycling's social side.

"Primarily, that is our customer base. They're folks who ride nice stuff and are not shy about paying for it. They value good customer service, being taken care of on a regular and

predictable basis. It's a time-tested formula and it's worked for us," Colangelo said.

The store's successful, Littlefield said, "but we always see room to improve. We like to say, 'Skate to where the puck's going to be.'"

To that end, Contender dedicates considerable floor space to women's products including bikes, clothing, shoes and helmets and is about to add an extensive line of Terry's products.

It's also riding full tilt into Serotta's fitting system, investing in the equipment, certifying three people and adding 800-plus square feet to its existing

Cynergy Cycles

Best New Shop
Santa Monica, California
Years in Business: less than a year (8 months)
Number of Employees: 15

In fall 2004, Augusto Sasso was out of shape and had trouble running for five consecutive minutes. He would get winded going up a flight of stairs.

After his second daughter was born, he decided something had to change. Sasso bought a road bike and went on his first ride, traveling a total of six miles.

Fast forward three years, and a lot of things have changed for Sasso. He has shed 65 pounds, is a Category 3 and Masters 35+ road racer and is co-owner of Cynergy Cycles.

Cynergy Cycles is a Specialized concept store in the affluent, coastal city of Santa Monica, California—a city that presents a host of interesting challenges for a retailer.

"Santa Monica is a very seasoned market. There are some very big,

every customer and provide superior customer service to everyone, from the novice to the professional," Sasso said.

Prior to starting Cynergy Cycles, Sasso served as managing partner for Preservation Partners Development, a development group that provides housing communities for low-income families and seniors. He holds a degree in electrical engineering from the University of California in Los Angeles, and a master's in business administration from the University of Arizona.

As an entrepreneur with limited bike-industry experience, Sasso searched long and hard before settling on Specialized as his focal brand.

"My partners and I quickly realized that you could assemble the best team in the best location, but ultimately for success you need to feature the best brand. We took a hard look at every brand in the industry and we could easily see that Specialized has the winning combination," Sasso said.



Cynergy Cycles's staff of 15

established competitors in the marketplace with a known track record," Sasso said. "We saw this as an opportunity as well as a challenge. We knew we had to come out with our best foot forward because consumers were only going to give us one chance to win their business."

The diverse customer base is another unique aspect in his market. While many consumers are very sophisticated and knowledgeable, others are new to the sport and intimidated by the volume of product and choices.

"We make it our goal to welcome

Eight months after his store's grand opening, it looks like Sasso made the right choice. Business has been booming, and Sasso believes profits will show up as early as this year.

"We started Cynergy with a simple vision: to create the ultimate cycling retail experience—spread the word, share the passion and set the pace," Sasso said.

"Getting acclamation from a respected organization like BRAIN tells us that the industry has noticed and believes in what we're trying to do. That means a lot to all of us here at Cynergy," he added.

6,500 to house an upscale bike-fitting area.

The store recently added Serotta bikes to a lineup that includes Trek, Giant and Scott.

"Two brands we've had a lot of success with are Orbea and Time. Some vendors treat you like a customer, but those two have more of a partnership mentality," Littlefield said.

Other brands are BMC, Litespeed, Pinarello, Sidi, Giro, Etxeondo and Pearl Izumi.

"We've really retracted and use a very limited number of vendors. We worked very hard to develop relationships with the ones where the relationships seem mutually beneficial. We commit to the vendors who commit to us," Littlefield said.