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Barry Gorton, a consultant for BeBop pedal maker VP Components, hopes to crack the U.S. market.

Taichung Special

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Heard In Taichung

Sworn to Secrecy. Robert Sherlock, national accounts manager in the U.S. for the NuVinci drivetrain hub, filled us in on some significant changes in its unique continuously variable planetary drivetrain system. But bicycle division president Alan Nordin quickly reminded everyone that the changes stay under wraps until the March 2010 Taipei Cycle Show. Suffice it to say the original 8-pound hub has gone on a



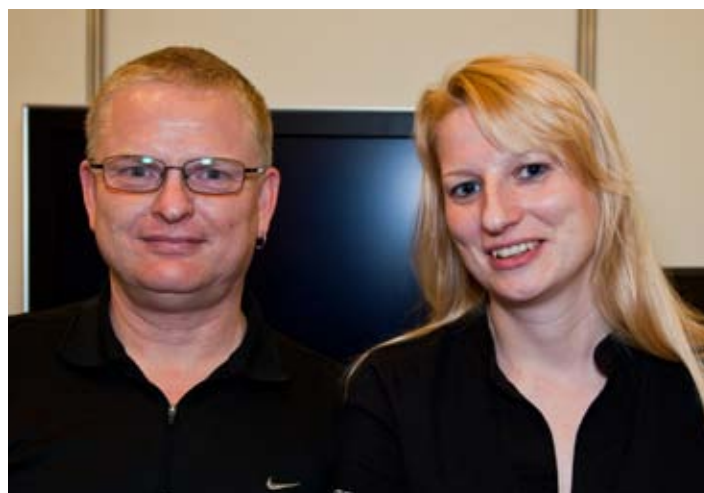
Robert Sherlock

diet, but in a weight-weenie world that's hardly news. Still, the CVP drive is catching on in Europe, where companies like Batavus, Raleigh Europe, the Winora Group and others have spec'd NuVinci on a variety of commuter bikes.

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Under One Roof?

Bike Week Organizers Look to Next Year



Steve Fenton and Katerina Rejchrtova

They've spent countless volunteer hours organizing Taichung Bike Week while running their own companies.

Now, Steve Fenton, the owner of Pro-Lite in Taichung, and Katerina Rejchrtova, CEO of WT Europe, are already looking ahead to next year's event. At the top of their wish list is persuading exhibitors to come together at one venue, instead of four hotels.

"It will be much easier if everything is under one roof," Rejchrtova said Monday.

They said the City of Taichung is willing to increase its support for Bike Week, which is becoming an important economic event for the city.

"There's millions of dollars of business being done at Taichung Bike Week," Rejchrtova said. Fenton estimated that 100 companies are exhibiting in Taichung for roughly 500 visiting product managers.

They want Taichung Bike Week to remain an affordable, relaxed and accessible event.

Fenton noted that exhibitors pay less than NT\$11,000 (\$340) per day for a hotel room and a booth, far less than they would at a traditional trade show.

"We've put a foundation in place," he said. "The foundation needs to be taken care of while we build the house on top of it."

Headset Makers Crow Over Expiring Cane Creek Patent

The magpie is Taiwan's national bird. It's also what First Bicycle Components will bill its new line of high-end components, including headsets, which it plans to unveil in March.

The Magpie headsets will join a flock of similar products winging their way to market around September 2010. Why September? That's when manufacturers stop sending royalty checks to Cane Creek, because its headset patent expires.

Industry experts predict low-cost headset production will soar as manufacturers quit



Chrissie Huang and the Magpie headset

Photos by Doug McClellan

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BeBop Still Skipping Beats

Barrie Gorton, a consultant for VP Components, admits that cracking the U.S. market is a challenge that baffles him.

"We just don't have the right recipe for the U.S. market," he said Monday during a factory visit.

VP makes pedals, headsets, bottom brackets and hubs from four factories in Taiwan, China (two) and Vietnam. They are an OE producer for many brand-name parts and accessories familiar to American retailers.

Yet aftermarket sales for VP and its BeBop pedals are small change compared to Europe and

elsewhere. "Our ultimate goal is to have an aftermarket presence in the U.S.," he said.

VP is counting on Erik Saunders, who represents the company from Santa Barbara, Calif. Gorton said Saunders' job is to get teams riding on VP products, including BeBop pedals.

The company reintroduced the BeBop in 2006, when it assumed manufacturing, distribution and marketing from BeBop inventor John Steinberg, who still owns the patents.

Seattle Bike Supply has exclusive U.S. distribution rights to BeBop, but Gorton said it's time to expand distribution.



Barrie Gorton

Headsets . . .

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paying the royalties and new companies try to grab market share. In fact, some bicycle companies are already trying to squeeze headset suppliers for lower prices.

"We want to aim at Canada and the U.S. because the Cane Creek patent is expiring," said Chrissie Huang, the company's overseas sales manager.

Magpie won't be alone. VP Components, one of Taiwan's best small-parts manufacturer, has been making headsets for Cane Creek and other brands—paying royalties on that OE business.

FSA's Douglas Chiang, whose company also makes high-quality headsets, is thrilled he will no longer have to open his checkbook to make royalty payments.

First Components has been making headsets and bottom brackets for 25 years.

Along with OE sales, the company has been selling aftermarket products under its First brand name. But Huang said the company needed a new brand, and chose Magpie.

At the Taipei Cycle show in March, First Components will introduce several other Magpie products, including a wireless lighting system that incorporates an HID headlight, turn signals, cycling computer and built-in MP3 music player into a single unit.

Also in the works: left and right turn signals that clip into—and out of—the rear pockets of a cycling jersey.

Heard in Taichung . . .

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In the U.S., only California's Tony Ellsworth has offered it on a limited selection, with limited success. But the Europeans know a good thing when they see it, and, judging from the folks deep in conversation in the NuVinci booth, business is picking up.

Protecting the Guilty. We were making the usual small talk with a Taichung Bike Week exhibitor: "When did you get here?" "How was your flight?" Think of it as Journalism 101, a little chit-chat to break the ice. So one thing led to another and this person, who shall forever remain unnamed, mentioned flying business class from the East Coast. "How much did that cost?" we immediately asked. After assuring us that the company allows business class flights for particularly lengthy flights (unlike a magazine we

could name), our source said the damage was \$9,000 and change. Yikes! Even this long-time bicycle veteran had to admit it was steep, while insisting it was worth every penny. "Does the company bean counter know yet?" we asked. "No," we were told. Our advice before handing in that expense report: Beg for forgiveness, because it's too late to ask for permission. And we hope you sell tons of stuff in Taichung this week!

The Eyes of TAITRA Are Upon You. Some folks don't quite know what to make of Taichung Bike Week, including the good people from TAITRA, the government agency behind Taipei Cycle. Taichung Bike Week is almost an anti-trade show, and some like to think of it as a scrappy David to the big March show's Goliath. Could be, but this Goliath isn't going to topple over any time soon. Still, we were intrigued to find the Taipei Cycle management team walking the low-key, low-budget Taichung event yesterday. We wonder what their conversation was like on the trip home to Taipei!



Team TAITRA in Taichung: (From Left) Katherine Hsu, Andrea Wu, Rebecca Lee, Jeremy M.C. Horng, Maggie Liu

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