



# the independent

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## Market Report 2006

### So, what's happening in YOUR world?

The team at Act Smart has been working with a large group of IBDs and financial organisations to plot trends throughout the bicycle sector. This group represents over 400 shops, broadly reflecting the UK regional mix with a combined turnover of c£150 million.

ACT members can exclusively access the full results of this market report, which focuses upon the independent sector at [www.actsmart.biz/members](http://www.actsmart.biz/members).

### Key IBD Performance Figures

- Like-for-like annual sales up 8% in 2006 vs. 2005
- Last quarter 2006 sales down 6% vs. 2005
- Average sales values up 26% last quarter of 2006 vs. 2005
- Total customer numbers down 5% in 2006 vs. 2005
- Best growth months 2006 vs. 2005: July, January and May
- Worst months 2006 vs. 2005: August, December and September
- Over 25% increase in use of Retail Finance during 2006 vs. 2005

Performance is measured on a 'like for like' basis, reflecting a constant analysis group. We are not suggesting IBD sector sales increased by 8% in 2006, but this is a true barometer of growth that each IBD can measure their own business against.

### Market Trends

What is becoming increasingly evident in our market is the "beer glass phenomenon"

Coined by Dr. Tim Denison, from research firm SPSL. A leading retail psychologist, he recently identified a trend where the 'half-fulls', generally older consumers, protected from the rising cost of living, with equity in their homes, remain confident and are still spending, whilst the 'half-empties', concerned about the economic outlook, borrowings and increasing interest rates are significantly reducing their shopping activities.

Dr Denison explains, "It's their means to avoid the temptation of using more 'easy-money' such as credit and store cards, aware that their unsecured debt is becoming uncomfortably high. They are denying themselves 'retail therapy' in order to balance their household books."

Mark Brown commented on the research: "This data has been shaping the direction of our services to independent retailers for some time. We now have the opportunity to share tangible information with IBDs and develop strategies together to build market share. This is a very significant benefit that we are bringing to the sector. This is only the first stage, much more is promised for the future."

Although the bicycle sector has historically proven itself more resilient than others to economic hardship we have witnessed a material downturn in total customer numbers in store since August 2006, whilst at the same time transaction values have consistently risen. This trend is not just seasonal; it is far ahead of 2005. Without the increase in transaction levels IBD sales would have been significantly down in the second half of 2006 vs. the previous year.

On-line sales are obviously on the increase and further analysis of this area is planned for 2007. What we can be sure about is that the overall British consumer trend of 50%+ increase in on-line sales in the 10 week run-up to Xmas 2006 is not being repeated in the bicycle trade to the same degree.

Weather remains possibly the greatest influence on the market, with the May –

July period in 2006 reflecting sales growth of over 25%. Not only was May the biggest IBD trading month of 2006, with the third largest growth rate vs. last year, it was also the biggest growth month in 2005 vs. 2004. This suggests May now represents a make or break month for the year and impacts upon retailer stocking trends and staffing levels.

ACT President David Wilsher commented: "I've been in this industry for too many years, but I've never been able to access quality data until now. Previous reports of bicycle production and imports have not provided any help in monitoring the performance of my business. This must be an essential read for every IBD".

### Is Halfords half empty or half full?

Whilst we had our beer goggles on we thought it was worth taking a look at Halfords current influence on the market. Ever since late 2006 the auto and cycle retailer has been a feature of city news and conjecture. Last year Halfords claimed to have increased market share of the cycle sector from 25% to 29%, whilst recognising the threat of the supermarkets 'creeping in' to sell bikes at the 'bottom end'.

Doubtless this threat, aligned to the healthy development of the specialist retail sector fuelled plans to expand its Bike Hut presence. A standalone Bike Hut store opened in Brighton last Nov, 15000 sq. ft. trading on 2 floors. Reports suggest Halfords plans 30 more Bike Hut stores around the country.

At the time of publication city interest in Halfords appears keen suggesting that another change of ownership could be on the cards. However in what is generally seen as a protectionist measure, Halfords has bought back more than 8 million of its own shares for cancellation since June 2006. City talk has also speculated upon Halfords making acquisitions of its own, including a bicycle manufacturer or one of the IBD networks.

This raises interesting issues with regard to premium bicycle brand distribution and could have a significant impact upon market share.

To read the full market report and access ongoing information updates visit [www.actsmart.biz/members](http://www.actsmart.biz/members)

# news round up

For the latest news visit  
[www.actsmart.biz](http://www.actsmart.biz)

## IBDs braced for big increases in debit card charges

Visa and Mastercard are planning to increase the costs of processing debit card transactions during 2007. Analysts believe the increases could cost the UK retail sector an additional £60m a year as debit card usage continues to rise as it replaces cash. The new Visa charges are reflected in the latest rates announced by HSBC for the ACT card processing scheme, with a new dual tier debit card charge of 16.7p for Maestro and 18.1p for Visa.

Mastercard are expected to announce increases when they launch Debit Mastercard later this year. The new Debit Mastercard involves a combined pricing structure of a standard fixed fee per transaction plus a variable percentage charge, similar to that used for credit card sales. The variable percentage charge will apply on all sales over a certain value, currently estimated at £25. This would hit IBDs particularly hard given their high average sales values and the growing use of debit cards by their customers.

## Record card transactions over the festive season

There were 669 million plastic card transactions in December 2006, which is 6% more than during December 2005, equating to a record 250 transactions per second – day and night – through the month. Spending on plastic cards accounted for 63 per cent of total retail sales.

Despite the increase in overall spending on plastic cards, credit card spending has decreased slightly. Credit card spending for December 2006 came to £11.4 billion compared to £11.5 billion for the same period in 2005. There was a decrease of 4% in the volume of credit card transactions, down from 205 million transactions for December 2005 to 197 million transactions in 2006.

For the full breakdown of these figures visit [www.actsmart.biz/news](http://www.actsmart.biz/news)

## Bumper Christmas for online retailers

It wasn't just the card companies and banks jumping for joy this Christmas as latest figures from industry body IMRG shows British consumers spent £7.66 billion online in the ten-week run-up to Christmas 2006. Between 16 October and 24 December there was a rise of 54% on the £4.98 billion spent online during the same period last year, and more than double the £3.33 billion recorded in the approach to Christmas 2004.

Online retail sales worth £3.6 billion were recorded for December, half a billion pounds more than IMRG's forecast of £3.1 billion. These strong online sales at the end of the year made up for a slightly soft Autumn, resulting in the sales value recorded for the whole of 2006 coming in at £30.2 billion, slightly higher than IMRG's forecast of £30 billion.

## Retail rents continue to rise but at slower pace

The latest annual market report from commercial real estate consultants Colliers has shown UK retail rents continued to rise in 2006 for the thirteenth consecutive year. Last year saw an average rental rise of 3.4% although this slowed compared to the previous year rise of 4.1%.

All 12 UK regions experienced rental increases, with five of the regions achieving a higher rate of growth than the UK average. London tops the league table for the first time in five years with average rental growth of 4.5%. Scotland had the slowest rate of rental increase at 0.4%.

The top performing centre in the UK over the past 12 months has been Nuneaton in the West Midlands with a rental growth of 71.4%, followed by Ringwood (37.5%) and Cannock (36.4%). Six of this year's top 20 best performing centres are located in Central London.

Full details of the report can be found at [www.actsmart.biz/news](http://www.actsmart.biz/news)

## Government set to increase holiday entitlement

The Department of Trade and Industry has announced proposals to increase workers' holiday entitlement from 20 days per year to 28 days. The DTI is launching a second public consultation on the implementation of the changes. Statutory annual leave entitlement would be increased in two stages, rising from 20 to 24 days on 1st October 2007, and from 24 to 28 days on 1st October 2008.

Currently, up to two million workers in the UK have to take their Bank Holidays as part of their statutory entitlement to 4 weeks' annual leave but the new measures, announced by the Government last year, will add the

eight bank holidays to the four week entitlement for all workers. However employers will still have the right to decline requests by staff to take leave or to require staff to take holiday on certain days. Business groups have expressed concern over the increased burden this may place on small businesses.

For more useful employment information visit [www.actsmart.biz/info](http://www.actsmart.biz/info)

## Business waits announcement of next minimum wage increase

The Low Pay Commission is expected to announce another increase in the minimum hourly wage for adult workers this October, from £5.35 to approximately £5.60 per hour, a rise of nearly 5%. At time of publication it is not known if similar increases will occur for the other minimum wage age groups.

Since coming into force in 1999 the national minimum wage for adult workers has risen steadily every year from £3.60 per hour to its current level of £5.35. Many retailers in both the independent and corporate sectors must now raise their lowest pay rates to remain in line with or above the minimum wage.

## New crack down on wage cheats

Employers who fail to pay the national minimum wage could be fined following an announcement by Trade and Industry secretary Alistair Darling. Employers already have to pay back arrears owed to workers, but now those who refuse will be handed a £220 penalty for every underpaid employee.

Between 2005 and 2006 the Department of Trade and Industry (DTI) received over 60,000 calls to its minimum wage helpline and assisted over 25,000 workers recover more than £3m in unpaid wages.

## IBDs - are you getting the best deal on your card processing costs?

To see if our exclusive package with HSBC could save you money visit [www.actsmart.biz/cards](http://www.actsmart.biz/cards) or contact the ACT office on 08704 288 404



## Workshop Survey 2007

Ever wondered what the average price is for a puncture repair or how much mechanics are earning these days? These and other questions are about to be answered in a new survey of IBD workshops.

The 2007 IBD Workshop Survey is being launched by ATG, the industry's leading provider of Cytech training and accreditation courses for bike mechanics and is conducted in partnership with ACT. The aim is to provide an up to date picture of what's happening in the nation's IBD workshops.

ATG's Head of Cycles, Ian Harper, explains: "Workshops and technical skills remain at the heart of IBD businesses, however as an industry we know very little about this area in terms of overall contribution to the business, pricing of services, wages and the value of training. This survey is the first step in getting a much better understanding of the role of the workshop in the modern cycle retail business."

An advanced two-day wheel building course is up for grabs for one lucky survey respondent. The course, which usually costs £250, offers top training and tips on the art of wheel building including spoke patterns, lacing, tying and soldering plus a look

at specialist factory-built wheels from top brands. Shop owners can nominate one member of staff to attend the course, and the winner will be announced in May.

Mark Brown from ACT added: "I hope as many retailers as possible can spare a couple of minutes to complete the survey, as I'm sure they will be just as interested in the results as we are. The more participation we have the better, giving us an opportunity to build a national picture of trends as well as analyse what's happening regionally."

To be eligible for the free prize draw completed survey forms must be submitted by March 31st. Only one survey submission per business will be entered for the prize draw.

To participate in the 2007 IBD Workshop Survey please complete the enclosed form and return it to ACT by 31st March. Or visit [www.actsmart.biz/survey](http://www.actsmart.biz/survey) to make an online submission

Lord Mayor of Manchester, David Sandford, learns the art of wheel building overseen by ATG's Chief Executive Ray Ball



## ATG opens state-of-the-art training centre in Manchester

Technical training specialists ATG (Aylesbury Training Group) launched their latest cycle maintenance "Centre of Vocational Excellence" in Manchester on 10th January. Located in Newton Heath the centre is kitted out with all the latest workshop toys and has work bays to accommodate up to 12 mechanics.

The new Manchester site marks the start of a nationwide expansion plan which will see new training centres opening in London and Birmingham later this year. These new centres will support ATG's existing facilities in Aylesbury and Wolverhampton, which provide a range of training and accreditation courses in cycle maintenance for bike shop staff and enthusiasts.

[www.atg-cyclemechanics.co.uk](http://www.atg-cyclemechanics.co.uk) or call 01296 468 464

## Cytech recognises IBD quality



People and service are at the heart of Cytech as it gears up to establish itself as the quality standard for cycle retailers

Commencing in March every shop which has taken part in the Cytech Re-Certification Programme will be part of a new campaign, aimed at promoting their specialist skills and services to consumers.

This will begin with Cytech logos being displayed on the listings these shops have on the ACT public website ([www.act-bicycles.com](http://www.act-bicycles.com)) and on the Bike for All cycling portal [www.bikeforall.net](http://www.bikeforall.net). Between them these sites receive over 25,000 visitors a month and represent great opportunities to promote the Cytech message to potential customers.

A new Cytech website for trade and public launches later this year. Cytech accredited retailers will also be receiving logos and promotional copy to add to their own marketing materials

as part of the first phase launch of the promotional plan.

Future promotional activities will include advertising and sponsorship deals, national press features and PR plus retail point of sale literature and a possible awards scheme.

ACT's Mark Brown commented: "Our vision is to establish Cytech as the quality brand which encompasses the sector. Cytech is all about promoting investment in people and service in cycle retail. Hundreds of shops have taken part in re-certification and we are now building a powerful database which reflects the level of investment IBDs are making in training and skills within their businesses. This will become the foundation for Cytech in the future." To learn more about Cytech visit [www.cytech.uk.com](http://www.cytech.uk.com)

Anyone with a historical Cytech qualification issued before May 2006 can take part in the Re-Certification Programme which remains free of charge until 31st March. To take part and register your details and benefit from these new promotional activities simply contact the ACT office. From 1st April Re-Certification will cost £5 + vat.

**REMEMBER – if you employ someone with a Cytech qualification you need to inform ACT so that they can be registered with your shop on the database. Your business will benefit from more promotion because you have increased the accredited Cytech skills within your shop.**

# benefits & services update



## New legal helpline cards for every member

Every ACT member can use our legal and counselling helplines 24 hours a day, 7 days a week, 365 days of the year. To help you make the most of these vital services when you need them we are issuing handy wallet-sized cards containing the helpline numbers to every ACT member. See accompanying letter.

With small business owners under pressure from many areas it is important to have access to the right advice and information when it matters. The legal helpline provides qualified assistance on business matters involving:

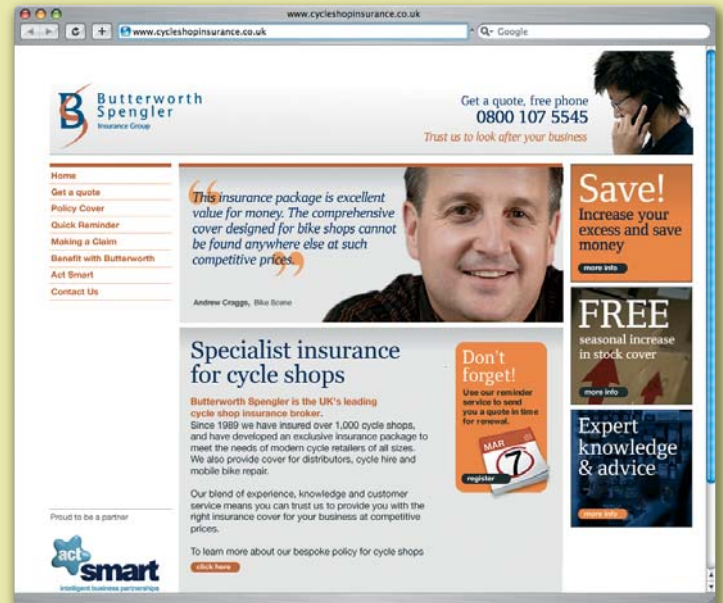
- Employment
- Consumer Law
- Health & Safety
- Tax Guidance
- Business Law
- Assistance in the event of business emergencies such as fire or flood

In addition the telephone counselling service launched in August offers personal counselling for business owners, their staff and immediate families and can help with issues including depression and bereavement. All calls are confidential and are handled by qualified counsellors who are members of the British Association for Counselling and Psychotherapy.

There is no extra cost for using these helplines and no limit on the length or number of calls. ACT members please refer to the accompanying letter containing your legal helpline card or contact ACT head office for further details.

# switch

Switch to annual direct debit and save 10% on your ACT subscription



## Butterworth Spengler improve shop insurance deal

Cycle shop insurance specialists Butterworth Spengler have announced a range of new additions to their package for IBDs, including several new benefits for ACT members.

### ACT members can now get:

- Improved discounts when taking out a policy
- A loyalty bonus at every renewal
- Reduced minimum premium from £350 to £300
- Free extended cover for demo days which usually costs £50 per day

### Additions to the standard policy cover available to all IBDs includes:

- Goods in transit own-vehicle cover increased from £1000 to £2500 any one loss
- Legal expenses cover increased from £50,000 to £500,000
- Money in transit or at premises cover increased from £2000 to £2500

Ted James from JE James Cycles commented: "The most important thing is that we can trust Butterworth's to look after us. With three shops we need the right cover and backup service in the event of a claim, and that's exactly what we get from Butterworth's. I can get cheaper quotes but I would never have the same level of trust as I have with Butterworth's, and these days that's worth a lot."

Butterworth Spengler have recently re-launched their website to better promote the benefits of having specialist shop insurance cover as well as setting up a new free phone quote line for IBDs.

Visit [www.cycleshopinsurance.co.uk](http://www.cycleshopinsurance.co.uk) or call 0800 107 5545



## Tax cover protects IBDs

Since becoming available to ACT members in July 2006, Commercial Tax Protection Insurance has proved to be an invaluable benefit. This legal expenses package offers protection to IBDs in the event of a commercial tax investigation, and means the often considerable costs which can be incurred by full or aspect tax enquiries are covered by this policy. It can save you thousands of pounds and a great deal of time and stress.

Mandy Perry from brokers Jardine Lloyd Thompson who arrange the cover on behalf of ACT highlights just one case: "HM Revenue & Customs issued a letter to a cycle retailer advising them that they owed £4,500 in unpaid PAYE and National Insurance Contributions. An accountant was appointed and the dispute was resolved in the shop's favour by implementing a simple procedural change. The accountant's fees amounted to £1,925 and were paid in full by this policy."

Plus the benefits of Commercial Tax Protection Insurance have now been extended even further. Thanks to ACT the upper annual turnover limit (inc vat) for this policy has been increased from £1.25m to £2m effective 1st March, which means even more ACT members are covered by this excellent service.

Through our significant buying power we have secured this valuable service at a much reduced cost and made it a standard part of membership for Full Retail and Associate members. If you are currently paying for a similar policy it might be time to consider this alternative, which will protect your business and save you money as part of your existing ACT subscription. If you don't have such a policy, then consider yourself covered with ACT.

For further details about this policy and how to make a claim login to the Members Area of the Act Smart website – [www.actsmart.biz/members](http://www.actsmart.biz/members) or contact the ACT office.

## New Cycleguard package is an even better deal for ACT members

### Cycleguard™

Pavilion Insurance, providers of the Cycleguard insurance policy for customer bikes have reaffirmed their commitment to Act Smart by announcing a new and improved referral commission package exclusively for ACT members.

The standard Cycleguard referral commission for IBDs is usually just 10% of the policy premium, however ACT members now benefit from a new tiered rates package which launched in February:

- 1 – 15 sales receive 12.5% of the premium referred
- 16+ sales receive 15% of the premium referred

The new tiered rates will apply to all sales in a calendar year, so if you achieve 20 sales you receive 15% on ALL those sales. If you operate more than one shop your total sales from all stores are eligible for the higher referral rates.

The Act Smart - Cycleguard Referral Programme is open to any Full Retail member. Participating IBDs receive free literature for their stores as well as the opportunity for affiliate links on their websites. In addition retailers can track their progress on the Cycleguard Dealer Extranet system. Referral income is paid annually and IBDs must be an ACT member at 31st December 2007 to receive the new higher commission rates for this year.

If you are an ACT member and already working with Cycleguard we suggest you confirm with them that you are registered to be part of the new exclusive scheme.

**To sign-up to the exclusive Act Smart – Cycleguard Referral Programme visit – [www.cycleguard.co.uk/actsignup](http://www.cycleguard.co.uk/actsignup) or contact the ACT office for a sign-up form.**

For general information about the scheme visit [www.cycleguard.co.uk/actinfo](http://www.cycleguard.co.uk/actinfo)

## Act Smart remains committed to Blackhorse



It has come to our attention that certain retail finance providers are claiming to be working in partnership with Act Smart, in order to win business from IBDs and their customers. We wish to make it clear that Act Smart only endorses Blackhorse as its preferred retail finance provider for ACT members and we have no formal partnerships with any other companies in this area.

The Act Smart – Blackhorse relationship continues to go from strength-to-strength with over 300 retailers now offering the service to their customers at the preferential rates available exclusively to ACT members. If you have any queries please contact the ACT office or visit [www.actsmart.biz/finance](http://www.actsmart.biz/finance).

To learn more about all the benefits of membership and how your subscription supports our work to promote independent retailers and the future of cycling visit

**[www.actsmart.biz](http://www.actsmart.biz) or call the office on 08704 288404**

# Six employment challenges for 2007

This year there are six key employment law developments which might be cause for a sleepless night or two. But don't fear because thanks to Act Smart you'll be in the know with access to all the right resources to make things just a little easier.

## One: Increase to annual holiday entitlement

As reported in our News Round-up the government is proposing that statutory annual leave entitlement would be increased in two stages, rising from 20 to 24 days on 1st October 2007, and from 24 to 28 days on 1st October 2008.

## Two: Increase to paternity leave

Currently fathers can take two weeks' paid leave within eight weeks of the birth or adoption of a child. The proposals in the Work and Families Act introduce a new right to paternity leave of up to 26 weeks to be taken by the child's first birthday. The Government is due to feed back on a recent consultation and the detail of the proposed changes is still not confirmed.

## Three: Smoking ban

The ban on smoking in the workplace comes into force across the UK by summer 2007. It is the retailer's responsibility to ensure that no-smoking signs are visible in the workplace and that these, and the penalties for smoking in a non-smoking area, are communicated to employees both verbally and in writing. The onus is on employers to implement the smoking ban in their workplaces and that includes communicating and enforcing the ban to customers.

## Four: Flexible working rights for carers

From 6th April this year, the right to request flexible working will be extended to carers of near relatives. The definition of 'near relative' includes: parents, parents-in-law, adult child, adopted adult child, siblings (including in-laws), aunts, grandparents and step-relatives.

## Five: Companies Act 2006

This will come into force between January 2007 and October 2008. One of the main aspects of the regulations is the move to set out directors' duties by law. There are specific new rules governing directors whose personal interests conflict with their company's. This could particularly affect those with multiple business interests or directorships.

## Six: Corporate Manslaughter

There is no fixed date, but the corporate manslaughter legislation is due to come into effect in 2007. This will mean an organisation, or a senior individual within the organisation can be prosecuted for management failures that lead to the deaths of employees and others.

For useful employment and business resources login to the Members Area of the Act Smart website – [www.actsmart.biz/members](http://www.actsmart.biz/members) – or contact the ACT office for advice. Remember our legal helpline can also provide qualified advice on many employment issues.

# Online Employment Manual clicks with members



Research by ACT has shown that IBDs find employment one of the biggest headaches in business ownership. That's why more and more ACT members are taking advantage of the Online Employment Manual, which can help take some of the strain out of managing your employment responsibilities.

The Online Employment Manual has been written by the experts at DAS – who also provide our helpline services – and provides a guide to employment procedures under UK law. It is designed to be used as a day-to-day reference tool, giving an overview of the main areas of human resource and personnel management in 4 easy to navigate sections:

### Section 1: Pre-Employment

– covers everything from recruitment to application forms, managing effective interviews, obtaining references and creating a complete induction procedure.

### Section 2: Employment

– keeps you up to date with the basics of employment law and employee rights. Includes useful information on national minimum wage, working time regulations, pensions and age discrimination.

### Section 3: Termination

– useful details on topics such as redundancy guidance notes, disciplinary hearings, health/medical issues, notice rights, fair/unfair dismissals.

### Section 4: Appendices

– throughout the manual users can access various forms and letters to use within their own business. The appendices provides further templates and useful forms including: appraisal forms, redundancy checklist, equal opportunities policy and health & safety policy.

ACT member Chris Compton from Compton Cycles is a regular user of the system and commented: "It's simple to use and covers most employment topics I need to consider within my business. I like the fact I can get professionally designed employment contracts and an employee manual for each member of staff, which confirm all the important procedures that may be glossed over or missed out at the time of employment. Plus because it's online it never gets lost and it's easy to find the information I need at the click of a button."

This service is provided as a standard part of the ACT membership subscription – which means it's not costing you any extra to use it – and it could save you time and money when managing employment issues within your business.

To access the Employment Manual login to the Members Area of the Act Smart website – [www.actsmart.biz/members](http://www.actsmart.biz/members) or contact the ACT office.

## Don't miss out Make sure you're still getting The Independent

Every ACT member receives this newsletter as a standard part of their annual subscription. The Independent is a valuable benefit of membership keeping IBDs up to date and in the know on many important issues. If you are one of the many non-members who receive a complimentary copy of The Independent please let us know if you wish to remain on our mailing list.

To sign-up to receive future issues of the newsletters:

visit: [www.actsmart.biz/independent](http://www.actsmart.biz/independent)

call: 08704 288 404

email: [act@act-bicycles.com](mailto:act@act-bicycles.com)

# view from the counter

Chris Feltham is owner of Cycle World in Arbroath.  
[www.cycle-world.co.uk](http://www.cycle-world.co.uk)



## Key facts

### Main brands stocked:

Dawes, Felt, Giant, GT, Kona, Orange, Ridgeback, Mongoose

### Best seller:

Giant Rock

### Number of employees:

3 full-time and 2 part-time

## How did you get into the bike trade?

I've always loved bikes but I really just fell into owning a shop. When I was younger I worked at City Cycles in Edinburgh on and off for about four years. I worked on the sales side of things as I can't do the technical stuff. After the shop I wanted a change and went to sell cars, mostly BMW's and Vauxhalls. Didn't like selling cars so came back into bikes as Scottish Sales Manager for Falcon. I really enjoyed my time at Falcon and was very successful.

After four years at Falcon I decided I wanted to get out of the trade so tried selling watches for a while but hated it and knew at that point that owning a shop was really what I should be doing. I got a job with Moore Large for about a year until I found the right business to buy and the rest is history. I've been the owner of Cycle World for two and a half years.

## Who inspires you in business?

I've just finished Andrew Carnegie's biography and that guy is really amazing. He's Scotland's richest man and his rags-to-riches story is very inspiring. Basically the book is a manual on how to be wealthy. I'm always inspired by those IBDs who have carved out their own niche and made small retail businesses

successful. These are the guys that offer great service and have a good head of their shoulders, and as a result have made a good living.

## What are the main challenges facing your business?

In short its cashflow, keeping aware of the competition and maintaining a happy and motivated team in the shop. I think it is getting harder and harder for smaller IBDs in terms of these kinds of challenges, however I think if you can manage these challenges there's every chance you can develop a good business.

## How do you see the industry developing over the next three years?

I think the internet will continue to be really important. It is getting easier and easier to buy online and the price, convenience and choice means more and more business will go through this channel. For my business based in rural Scotland the web is vital. I'm sure half of the local population have no idea we are here but we are selling to customers in London who know all about us.

I also believe there will be a rationalisation on the supply side of the industry. Currently there are too many suppliers and I actually think we would all benefit from working with fewer suppliers providing better service and support. The top suppliers in my opinion have really got their acts together. I'm glad I'm not on that side of the fence anymore because it is so competitive.

## Words of wisdom for new bike shop owners?

In my experience it is better to buy an existing business than start one from scratch. This can give you an income from day one which means you have the confidence that you're doing the right thing, plus some money in your pocket in the early days is really important.

If you are buying an existing bike shop then you have to pick the right business, which means getting under its skin and knowing exactly how it works. This way you've got a good

foundation to build your own business. For anyone coming into the trade now having good business and retail knowledge is absolutely vital for long term success.

## How do you think the development of cycling is doing?

I don't really rate the government initiatives which certainly in my area have no visible impact. The cycle forum is useless locally but I'm not sure if this is because we are in Scotland or if it is a national problem. Try Cycling in Scotland seems to be doing the right things and I look forward to seeing some sort of business benefit in the future.

## Strangest request from a customer?

Can I borrow a saw? It was from a policeman who had to cut a dead body from a nearby tree.

## Tea or coffee in the morning?

Decaf Tetleys with my Alpen

## What would you do with your lottery jackpot winnings?

Pay off my debts. Buy a stupid car and /or motorbike. Have a big holiday with all my mates. Start having days off.



Chess are the official telecoms provider to the Association of Cycle Traders. For **Excellent deals** visit [www.actsmart.biz/telecoms](http://www.actsmart.biz/telecoms) or call Chess direct on 0800 019 8900



[www.chesstelecom.com](http://www.chesstelecom.com)

Do you want to give us your view from the counter?  
If you want to give us your view from the counter contact Mark at the ACT office.

Email: [mark.brown@act-bicycles.com](mailto:mark.brown@act-bicycles.com)  
or telephone 08704 288404



## ask the experts

I run a shop and often have problems with my employees not phoning in sick until well after they should have started work. This causes me immense problems. What can I do?

It is usual for a company to have a policy in place outlining what is expected of their employees should they be unfit for work due to illness. Employees may be asked to phone in and speak to a designated person, such as the owner or manager. You can also stipulate that they should telephone to report their absence by a certain time to enable you to establish the likely duration of the absence and deal with any issues that may result from their time off.

Employees may be requested to phone in personally and be advised that a text message or a call from a friend/family member is unacceptable, unless they are prevented by their illness from making the call themselves. In the first instance of an employee failing to comply with the procedure, the company may first wish to remind the employee of the existence of the policy and re-issue it to them. A warning of the potential outcome should they fail to follow the procedure may be enough to ensure they comply.

If the employee again fails to follow the policy, the company may then wish to pursue action under their disciplinary procedure. If you have employees who are currently on long-term sick leave and you do not have a procedure, it would be useful to draw one up and distribute it to all staff, including those off sick and staff should be told it is effective immediately.

**For more useful employment advice access our Online Employment Manual by logging in to the Members Area – [www.actsmart.biz/members](http://www.actsmart.biz/members) – or by contacting the ACT office direct.**

If you have a question to put to the Experts email us:  
[act@act-bicycles.com](mailto:act@act-bicycles.com)

## members round up

ACT would like to welcome the following new members:

- |   |   |
|---|---|
| <b>Behind The Bike Shed</b> , Andover         | <b>Evans Cycles</b> , Renfrewshire              |
| <b>Bicycle Repair Man</b> , Prudhoe           | <b>Missing Link Cycles</b> , Braintree          |
| <b>Bike Works Cycle Shop</b> , Bangor         | <b>Noahs Ark</b> , Chalford                     |
| <b>Bikus</b> , Bovey Tracey                   | <b>Oldham Cycle Centre</b> , Oldham             |
| <b>Cycle Force UK</b> , Bracknell             | <b>Race Scene</b> , Barnsley                    |
| <b>Cycle World</b> , Sunderland               | <b>Rock And Road Cycles</b> , St Albans         |
| <b>D H Cycle Sport</b> , Southampton          | <b>Swinerton Cycles Forest Centre</b> , Rugeley |
| <b>Edinburgh Bicycle Co-Operative</b> , Leeds | <b>The Bike Shop</b> , Hexham                   |
| <b>Epic Cycles</b> , Tenbury Wells            | <b>The Cycle Studio</b> , Stratford Upon Avon   |
| <b>Evans Cycles</b> , Canary Wharf            | <b>Whizz Bike</b> , Brentford                   |
| <b>Evans Cycles</b> , Kendal                  |   |
| <b>Evans Cycles</b> , Manchester              |   |

## Refer a new member and earn £25

If you refer a new member to ACT we'll say thanks by giving you £25 off your next subscription.

A growing membership is good for every member. More members means the value of membership increases giving ACT more negotiating power with service providers which in turn means better benefits and services for all our members.

