



the independent

Workshop Survey /// New Card Processing Rates /// Jay Townley /// New Payroll Service /// Retail Finance Figures ///
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The cycling experts get rolling

New campaign to promote specialist cycle retailers now underway

With the launch of our new promotional website – www.TheCyclingExperts.co.uk – ACT's long term plan to raise the profile of specialist cycle retailers amongst the general public has begun in earnest.

During 2008 our objective is to generate as much coverage and interest in local cycle shops as possible. We will position specialist retailers as the "Cycling Experts", providing the products and services

needed for an enjoyable cycling experience no matter what your level of interest.

Of particular emphasis will be how people are at the heart of our industry, encompassing all the passion, knowledge and personal service which are such a defining aspect of specialist retail and cycling. This will also link with greater promotion of Cytech as the industry benchmark of skills and services.



Buying a bike

This is a key area of the new website – and the overall campaign – and provides useful information and guidance on choosing the right bike, different types of bikes, how much to spend. And of course why visiting a specialist is the best way to buy a bike.

We recommend not spending less than £200 on a new bike, and our article on "Bicycle Shaped Objects" demonstrates why buying cheap in a box is not always a smart choice for people who want value for money and an enjoyable long term cycling experience.

Find a shop

At the heart of the website is a dynamic listing of every cycle shop in the UK, covering both members and non-members listed on our national database. Users can search by shop name or key word plus postcode, town, city and county.

Every listing includes all contact details as well as a location map and a handy "get directions" tool. Each shop listing can also include details of brands stocked, opening times, ACT membership, Cytech accreditation, retail finance and lots more.

The new website – which replaces our previous public site: act-bicycles.com – will serve as the platform and focus for all future promotional activities and complements the new trade website, www.actsmart.biz. Please make sure you update any links you may have with the old site to www.thecyclingexperts.co.uk

At the time of going to press we are in discussions to appoint a specialist agency responsible for developing the campaign and getting our message heard. We are currently advertising in the new CTC Family Cycling Guide and will also be targeting other

cycling and non-cycling promotional channels, through both advertising and editorial coverage.

With cycling gaining ever increasing coverage we believe now is a great time to launch the Cycling Experts campaign. We want to ensure there is a clear understanding that cycle shops have an important part to play in getting and keeping more people on their bikes.

www.TheCyclingExperts.co.uk

news

round up

For the latest news visit
www.actsmart.biz

Prime Minister announces increases in minimum wage

On the 5th March Gordon Brown confirmed that the minimum wage will increase by 3.8%, well above the 2.2% inflation rate. This latest rise means that since the minimum wage was introduced in 1999 it has risen by 59%. More than double the rate predicted.

From the 1st October the adult minimum wage rate will rise from £5.52 to £5.73. The rate for 18-21 year olds will also increase from £4.60 to £4.77 whilst the rate for workers aged 16-17 will rise from £3.40 to £3.53.

Chancellor proposes imposing charging for plastic bags

In his first budget Alistair Darling suggested that if plans to create a voluntary charging scheme for plastic bags cannot be achieved, he will be prepared to create new legislation in order to impose such a scheme.

Slow February signals tight outlook for retailers

UK retail sales rose 1.5% on a like-for-like basis, compared with February 2007, when sales were up 3.3% compared with a weak February 2006, according to latest figures from the KPMG – British Retail Consortium Retail Sales Monitor. The three-month trend rate of growth edged up to 1.6% from 1.5% in January for like-for-like sales, and to 4.0% from 3.7% for total sales, reflecting the continuing growth of retail space.

Consumer confidence has fallen further to all-time lows. Shoppers are still very price-conscious and reluctant to splash out on major purchases, so discounting was still needed to tempt customers to buy.

Lance Armstrong to open “world’s coolest bike shop”

The seven time Tour de France champion claims his new bike shop, which opens in May in his home town of Austin, Texas, will be the “coolest in the world”. However, it won’t be just a shrine to all things lightweight and fast because Armstrong says his main interest is getting more people cycling more often.

Called “Mellow Johnny’s” – after his racing nickname – the shop will celebrate the culture of biking, from the historic memorabilia hanging on the walls to a counter where customers can sip coffee and ask questions as they watch bike mechanics at work.

Storm in a plastic bag

A bill to allow 30 London councils to ban shops in the capital from giving away plastic bags to customers has been blocked by MP’s. The London Local Authorities (Shopping Bags) Bill was opposed by three MP’s at its second reading. The bill is now blocked until a debate with Parliament has taken place.

The body representing all London boroughs said the bill had the backing of most Londoners, who wanted to see either a complete ban on small single use plastic bags or some kind of charging in place. However, the bill had been heavily criticised by retail groups for being alarmist and failing to support retailers and customers in more productive efforts to improve environmental performance.

The bill had been seen as a possible pre-cursor to a nationwide ban or charging scheme for plastic bags, however this now seems unlikely in the immediate future. The bill defined a small plastic bag as one measuring 30cm x 30cm.

New Retail Development Bill gets support

The Retail Development Bill was introduced in the House of Lords by the Liberal Democrat’s Lord Cotter and requires local authorities to establish support schemes for small retail businesses whilst also establishing an “Office for Retail Planning”.

If it becomes law, the Bill would back struggling ‘class one’ shop premises, which might otherwise be forced to close. Authorities would have to advise existing retailers, or those proposing to open shops, about the different forms of ownership available to them. Financial support would also be available where three or more individuals formed a cooperative or partnership in order to run a small retail premises.

Under the Bill, the Government would review the retail business rates applied to small shops, focusing on the level of those rates as a percentage of annual turnover, in comparison with larger class two and three retail premises.

The review would take into consideration how rates impact on the profitability of a business, its ability to support its owners and employees, and the costs and benefits of reducing the rates.

Stay in the know with email news bulletins and updates straight to your in-box

Sign-up at www.actsmart.biz

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www.chesstelecom.com

Workshop Survey 2008

It is the second year of our workshop survey in conjunction with ATG, providers of Cytech Technical training and accreditation courses, and we are hoping to gain even more useful information on what is happening in the nation's bicycle workshops.

To take part complete and return the enclosed survey form or make an online submission at www.actsmart.biz/workshop-survey

Ian Harper, from ATG, commented: "The response to last year's survey was excellent, highlighting the value this kind of information has for retailers who want to develop their business and get a useful benchmark of what's happening across the sector. With the launch of the full

Cytech NVQ Level 3 for advanced mechanics, we hope this year's survey will further demonstrate the value and competitive edge that investing in people and skills offers specialist retailers and their workshops."

An advanced two-day wheel building course worth £250 is once again up for grabs for one lucky survey respondent. In addition ActSmart are throwing in 1,000 professional workshop repair forms for the winner.

Survey deadline is 30th April and results will be published during May.

To take part complete and return the enclosed survey form or make an online submission at www.actsmart.biz/workshop-survey



"The second annual workshop survey aims to provide even greater insight into one of the most important areas of the specialist cycle retail business."



Web polls prove popular

The online polls which are a feature of the re-launched [actsmart.biz](http://www.actsmart.biz) website are proving popular, as more users have their say and watch what others are thinking and doing. Here are results from current and recent polls.

Cycles channel polls:

What is your average selling price on bikes?

- > Below £250 = 31%
- > £250 - £400 = 36%
- > £400 - £550 = 17%
- > £550 - £700 = 9%
- > £700 - £850 = 0%
- > £850 - £1000 = 0%
- > Over £1000 = 7%

What happened to your turnover in 2007?

- > It increased = 57%
- > It decreased = 30%
- > Remained same as last year = 13%

Hub polls:

Is e-commerce having a positive or negative impact on specialist retailers?

- > Positive = 73%
- > Negative = 27%

What action should be taken on single-use plastic bags?

- > Complete ban = 36%
- > No action = 33%
- > Local charging schemes for bags = 19%
- > Other suggestions for bio-degradable bags = 9%
- > Government imposed levy = 3%

Online polls are located bottom left of every page at www.actsmart.biz/cycles

iceBike and meeting our brethren in the UK

American cycle retail consultant Jay Townley made his first ever UK presentation at iceBike. Here he gives us a few of his thoughts following the show.

I have just returned from a great experience as a participant in Madison's iceBike event, and while I had no doubt that there were some similarities between the UK and US independent specialty bicycle retail businesses, I was amazed at how much they are alike.

Independent specialty bicycle retailers in the US, Canada and the UK are doing business in much the same way with similar channel conflicts between retailers and suppliers, and very similar trends as relates to retail shopping and customer service demands.

While I was comfortable with the material I prepared for my "Growing The Market One Specialty Retailer At A Time" seminar, I became more confident of the relevance to UK retailers as I did each of the three presentations, fielded questions and talked to retailers after each session.

I am looking forward to the possibility of working more closely with ACT to learn what is working best for independent specialty bicycle retailers in the UK, and sharing what works best in the US.

With that in mind, I will close by sharing what we have learned in the US about the "Eight Fatal Retail Entry Mistakes". Independent specialty bicycle retailers continually make at least eight fatal mistakes at the main entrances of their stores which are costing business, and can be easily corrected, as follows:

1. Jumbled or old, out-of-season displays and / or dirty display windows with small, unreadable signs.
2. Crowded entrances, with too much merchandise upfront, and no neutral transition -zone.
3. Dirty floors that have not been cleaned or maintained.
4. Main doors covered with stickers and / or out-of-date signs and flyers.
5. Poor lighting of display windows and at the store entrance.
6. Narrow aisles that crowd shoppers and make it impossible to use a pushchair for children.
7. Crowded displays (the sea of wheels or wall of steel) that block shoppers' line-of-sight and confuse because of no organization or signage to guide shoppers.
8. Loud, inappropriate music.

For details of Jay Townley's e-book "Creating a Specialty Retail Shopping Experience" see overleaf or visit: www.actsmart.biz/cycles/jay-townley

benefits & services update

For a summary of all the benefits visit:
www.actsmart.biz/cycles/benefits
or call 08704 288 404

Reduce electricity and gas bills with GET Solutions

With utilities bills still rising our latest service from GET Solutions can help reduce your energy costs and insulate you against further price increases



GET Solutions are specialist energy consultants for businesses of all sizes. They can help you get a better deal on your electricity and gas bills.

GET Solutions are offering preferential savings to ActSmart subscribers, giving you even more opportunity to reduce your energy costs. This service won't cost you a penny but it could save you a fortune.

GET Solutions are independent and work with every major electricity and gas supplier to ensure you can get the most competitive contract available. They will use their expertise to contact all suppliers and undertake all negotiations on your behalf.

Why spend hours dealing with electricity and gas suppliers haggling over tariffs and contracts when GET Solutions can do it all for you?

How to use this service

Preferential rates are available to all ActSmart Gold and Platinum subscribers – if you are a current ACT member you are a Gold subscriber.

Simply contact GET Solutions quoting "ActSmart" and your 6 digit membership number / subscriber I.D number – which can be found on your certificate of membership or your new ActSmart subscription card.

Tel: 02476 470 700
Fax: 02476 470 761
info@getsolutions.co.uk

Alternatively complete the contact form at www.actsmart.biz/cycles/energy



Black Horse reveals annual retail finance figures for cycle shops

Over 300 ACT members use the preferential Black Horse Retail Finance scheme provided through ActSmart. This gives retailers access to a competitive package which would normally only be available to retailers producing over £700k worth of finance business annually.

Summary – 2007 vs 2006 / 05

Year	Bikes sold via finance	Total finance value	Average finance advance
2007	6265	£5,475,280	£874
2006	5402	£4,503,276	£834
2005	4224	£3,456,884	£818

Bikes sold

> Increase of 13.8% in the number of bikes sold via finance in 2007 compared to 2006, and 32.6% compared to 2005

Total finance value

> The total value of finance increased by 17.8% in 2007 compared to 2006 and 36.9% compared to 2005

Average finance advance

> The average finance advance has increased 4.5% in 2007 compared to 2006, and 6.4% compared to 2005

Interest free credit

> Interest free credit remains the most popular finance option accounting for 91.5% of all sales (5701), compared to 88% in 2006
> 12 months interest free remains the preferred finance option accounting for 40.5% of all interest free sales (2310 bikes) with an average finance advance of £849

> 6 months interest free accounts for 24.9% of sales (1423 bikes) with an average finance advance of £484
> 23 months interest free accounts for only 16.5% of sales (942 bikes) but has a high average finance advance of £1403

Seasonality

> April 2007 was the single biggest month for finance sales with 755 bikes sold worth £650,093. That's 12% of all bikes sold during 2007 with an average advance of £861. This compares to 494 bikes in April 2006
> The biggest month in 2006 was July

ATB Sales Finance Scheme

> The preferential finance scheme for ATB Sales retailers – offering lower Gold rates as standard – has a higher average finance value of £956

For further details and tips on making the most of retail finance visit www.actsmart.biz/cycles or call us on 08704 288 404

We cover everything from the coffee pot to the money pot and a whole lot in-between

For specialist cycle shop insurance call: 0800 107 5545
or apply online at: www.cycleshopinsurance.co.uk



ActSmart Healthcare Scheme launches

As part of our ongoing programme to improve the benefits of ActSmart subscription, we would like to announce the launch of a new Healthcare Scheme for you and your staff

The Private Health Partnership (PHP) is the approved specialist appointed to manage the new ActSmart Healthcare Scheme.

Independent, privately run and backed by the Skipton Group (one of the UK's largest financial services organisations) PHP has vast experience of the private health sector and detailed knowledge of the many products available. PHP also supply a number of other trade bodies.

Whether you are considering private healthcare for the first time or require a review of your existing arrangements, PHP can offer unbiased impartial advice on all the options.

If you have existing private healthcare arrangements for either yourself or your employees you are almost certainly paying too much. You will probably be paying for benefits that you will not use, eg, Maternity Benefits, and may have a policy excess that you do not need to pay each time you make a claim.

How does it work?

PHP will begin by identifying your specific needs and then analysing the marketplace to produce a shortlist of options for your consideration from the wide range on offer. They will guide you through the alternatives so you can make an informed decision.

PHP then compile a report containing all the relevant information on all of your options, including their own formal recommendations. PHP's clients appreciate this personal service, which is backed-up by on going care and attention to monitor the performance of your healthcare scheme and assistance with aspects such as claims.

ActSmart Private Healthcare Scheme

Expect to save up to 25% by switching into the scheme. Significant discounts may be available on your existing scheme. The scheme also covers Cash Plans or budget healthcare schemes for your staff.

ActSmart Travel Insurance Scheme

12 month policy, world-wide cover, winter sports and business travel:

Individuals £49 per person

Company Schemes £41 per person

(Terms & Conditions may apply)

ActSmart Dental Insurance Scheme

Comprehensive Cover from Denplan:

ActSmart subscribers and employees from £13.45 per month per person

(Terms & Conditions may apply)

Typical savings

PHP are saving thousands of pounds for their clients as well as giving FREE expert advice on other staff healthcare matters.

The average saving made by PHP clients in 2007-08 was £789.00 per company. This reflects the renewal price quoted on their existing scheme compared to the professional recommendation made by PHP regarding their private medical insurance.

How to use this service

The Healthcare Scheme is available to all Gold and Platinum subscribers – if you are a current ACT member you are a Gold subscriber.

Simply contact PHP quoting "ActSmart" and speak to either Sue Clements or James Jackson on 01274 588862.

Alternatively complete the contact form at www.actsmart.biz/cycles/healthcare

New card processing rates announced by HSBC

HSBC 
The world's local bank

As a result of the expansion of ActSmart into new retail sectors HSBC have revised their card processing package to offer increased value to a growing number of retailers.

With effect from the end of February the new rates are as follows:

Card Turnover / Average Sale	£0 to £50k	£50k to £100k	£100k to £300k	£300k +
£0 - £50	1.33%	1.27%	1.20%	By individual negotiation
£51 - £100	1.29%	1.22%	1.19%	
£101 - £150	1.26%	1.21%	1.18%	
£151 - £200	1.25%	1.20%	1.17%	
£201 +	By individual negotiation			
Maestro	16.0p			
Visa Debit	17.0p	16.5p		

Lower debit card rates

These have been reduced from 18.1p to 16.0p for Maestro and 16.7p to 16.5p for Visa Debit. A slight rise to 17.0p for low turnover businesses is unlikely to impact cycle retailers.

Lower credit card rates

Retailers with credit card turnover above £100k – which is the majority of existing users – will see additional savings as their rates are reduced from 1.29% to as low as 1.17%.

Existing users

Due to financial services legislation HSBC are not able to automatically transfer you to the new rates. And in some cases where an individual negotiation has taken place the new rates may in fact be higher, than those you are currently on.

To switch to these new rates you must complete and return the enclosed faxback form. Complete the section called "Existing user" and HSBC will contact you to arrange a switch to the new rates where appropriate.

To discuss your card processing requirements in further detail contact Chris Harrison at HSBC on: 01162 818323

Do you have high credit card turnover?

For businesses with credit card turnover in excess of £300k per year HSBC will offer you an individual negotiation which may achieve significant savings on your existing package. To request an individual negotiation please contact Mark Brown – 08704 288 404 or mark.brown@actsmart.biz

Bike shop saves over £1000 with switch to HSBC

Bunneys Bikes in Nottingham has been trading since 1893, and the current owners have been running the business since 1979.

Previously with Streamline for card processing they switched to HSBC during February 2008, and immediately gained the value of ActSmart's preferential package with HSBC.

All card rates were reduced by more than half, generating an annual saving of over £1000 compared to Streamline.

New card processing rates with HSBC are:

- > 1.19% credit card
- > 16.5p for Visa debit cards
- > 16p for Maestro cards
- > £15 terminal rental

Bunneys also switched their business banking to HSBC, which generated further savings of £45 per month, plus some added benefits which have really helped the business.

Owner Sue Nequest explains:

"We had been banking with NatWest for over 20 years and had changed to Barclays thinking we had a good deal, but the deal from HSBC was remarkable. Not only have they given us free banking for 18 months they also took over a small business loan we had. They reduced the interest rate we pay on this as well as the term of the loan itself."

"In addition they are giving us cash back on interest in our credit account and have re-instated an overdraft. During 30 years in business I've rarely seen my bank manager but since switching to HSBC he has visited us on several occasions, which has been really useful and a nice sign that they care about our business."

To discuss your card processing requirements contact Chris Harrison at HSBC on: 01162 818323 or complete the enclosed form.





Jay Townley e-book now available

Having enthralled cycle retailers during his debut appearance in the UK, Jay Townley has now made his popular e-book available through ActSmart

Jay Townley has over 50 years experience in the bicycle industry and is well known in the USA for undertaking some of the most in-depth analysis and research into the state of the cycle retail market. In particular how specialist cycle retailers can develop their businesses in highly competitive market conditions.

"Creating a specialty retail shopping experience" was published in 2006 and is written for specialist cycle retailers.

The book develops many of the themes outlined in Townley's presentation at iceBike, as well as drawing on a wide range of sources and case studies to provide retailers with new ideas, perspectives and tools for developing their business.

- > It's all about the customer – retailers need to move away from being focused on product and brand and instead devote their attention to the customer.
- > Your store IS the brand – as a true specialist retailer offering great customer service and an enjoyable retail experience it is your store that becomes the brand your customers want.
- > It's a buyers market – the power in the marketplace has shifted profoundly from sellers to buyers. Today's customers are skeptical, well educated about products and prices (or at least they think they are), and they know they always have more choices. They are driven more than ever by emotion and taking care of self.

- > Useful tools for your business – Jay's book provides advice and guidance on everything from windows to store entrance, layout, customer greeting, how to close more sales and remove price as a barrier.
- > For contents list and selected extracts visit www.actsmart.biz/cycles/jay-townley

How to buy the book

Usually retailing at \$99 (£49.50) we have secured exclusive rights to distribute Jay's book at the following preferential prices:

- > ACT Members – Silver / Gold / Platinum subscribers – £27.91 (£25 less 5% settlement + vat)
- > Non Members – £39.07 (£35 less 5% settlement + vat) This book is supplied electronically via email in PDF format only. Once we have received payment your copy will be distributed by email within 24 hours.
- > Card payment – call us on 08704 288 404
- > Cheque – payable to ActSmart, PO Box 5110, Hove, BN52 9EB
- > Upon payment please confirm the email address to receive the e-book
- > All purchases are fully vat invoiced and copy receipts supplied for all card purchases

For a contents list and selected extracts visit www.actsmart.biz/cycles/jay-townley

Ask the experts

My staff regularly work in excess of 50 hours a week. One employee has told me he wants to exercise his right to work a maximum of 48 hours a week. Can he do this?

Yes. The Working Time Regulations 1998 give workers the right to limit their working week to an average of no more than 48 hours. Young workers (i.e. workers who are 15 and above the minimum school leaving age, but under 18) are limited to 40 hours a week.

Certain areas such as the armed forces may be excluded, but the rules will apply to shop workers.

If your employees are regularly working more than 50 hours, they should have signed an opt-out agreement. Employers are not permitted to insist their employees sign an opt-out and they should not be subjected to any detriment for exercising their statutory right not to sign.

Young workers cannot sign the opt-out. Employees who have signed the opt-out have the right to cancel this agreement at any time by giving between one week and three months' notice. You should agree this notice period with your employees when they sign the opt-out. If nothing has been agreed, the default notice period will be one week.

Your employees can work more than 48 hours in one week as long as the average is less than 48.

The reference period for calculating the average hours is normally 17 weeks, although this can be increased in certain circumstances. If your employees are contracted to work a 50-hour week, you will need to amend the contract accordingly

if they choose to exercise their right to opt-out and make the employees aware of the effect this will have on their pay.

A working time regulations fact sheet is available upon request.

For more useful employment information login to the online employment manual at www.actsmart.biz or call the office on 08704 288 404

Changes to statutory maternity, paternity and sick pay

With effect from 6th April statutory maternity and paternity pay will increase from £112.75 to £117.18, or 90% of earnings, whichever is the lower.

Statutory sick pay will also rise from £72.55 to £75.40 per week.

The earnings threshold for SMP / SPP / SSP will rise from £87 to £90 per week.

For more useful employment information login to the online employment manual at www.actsmart.biz or call the office on 08704 288 404

For qualified employment advice contact the 24 hour ActSmart business & legal helpline – see your subscription card for details or call the office

Get your Cycling Experts shop listing sorted

Every cycle retailer listed on the ACT's new promotional website – www.TheCyclingExperts.co.uk – can create a unique listing to promote their business to customers

The screenshot shows a detailed shop listing for Kinwick Mountain Bike Centre. It includes contact details such as address (Sudley Hill, Kinwick, Cambridgeshire, CA12 9ND), telephone (01768 776 263), and website (www.kinwickbikes.co.uk). The listing also features logos for ACT membership and Cytech accreditation, and lists other services like Retail Finance, Fetch, Demo Bikes, and Cycle Hire. A map shows the shop's location, and there is a section for opening times and brands stocked, including accessories, bikes, and clothing from various brands like Cannondale, Giant, and Trek.

At the heart of the new Cycling Experts website is a dynamic “Find a Shop” database which holds details of over 2000 cycle shops in the UK. We believe this is one of the most up to date listings of cycle shops available anywhere, and is the most popular part of the new website.

Every shop listed includes basic details of name, address, telephone, website link plus a Google map showing their location and a handy “get directions” tool, allowing the user to enter their postcode and receive directions to that shop.

ACT members also gain an “ACT Member” icon and those with Cytech accredited staff gain a Cytech logo on their basic listing.

Get more promotion with a full listing

If you really want customers to know what you've got to offer, create a full promotional listing which can also include:

Other services you offer: Retail Finance / Fetch / Demo Bikes / Cycle Hire / If you are in the Yellow Pages

Brands stocked: Accessories / Bikes / Clothing

Opening Times

About the shop: anything you want to say about the shop and what you have to offer*

Shop logo or photo

Photos of up to 5 members of staff

This is a great way to promote your shop to new customers searching for specialist cycle retailers. If you have a website they can drive more visits to your site. If you do not have a website then this is a way to get online without any cost.

These listings are free to all ACT Members – Gold or Platinum ActSmart subscribers. They can be updated as often as you wish. Non-members will pay up to £75.00 for an annual listing.

And remember also that most of the details provided here are also used to provide the “Where to Shop” listings on the Bike Hub funded web portal, BikeForAll.net, which gives you another opportunity to promote your shop.

How to create or edit a listing

To add or edit a listing visit our trade website: www.actsmart.biz/cycles/listings

Listings created for the old ACT website (and BikeForAll.net) have been uploaded to the new system and can be edited.

You can choose from over 740 accessory, bike and clothing brands which we have already added to our brands database. If a brand you stock is not included simply add it in the “Other” field and this will be included in your listing, as well as being added to the brands database for future use.

It is easy to add a shop logo or photo and this will be automatically re-sized to fit your shop listing. In section 2 you can add photos of up to 5 members of staff, which will include their name and position in your shop. This is a great way to personalise your listing even further by promoting your greatest asset.

To add or edit a listing visit our trade website: www.actsmart.biz/cycles/listings

If you prefer doing things the old fashioned way we can supply a paper form for you to complete and submit, and we will then create your listing for you.

View from the counter

JP Saville is owner of Quest Adventure in Worthing, West Sussex
www.questadventure.co.uk



Brands stocked:

Scott / Marin / Whyte / Kona / Ridgeback/ Turner

Best selling bike:

Marin "Coast Trail"

Best selling clothing:

Endura "Humvee" shorts

Number of employees:

Full-time = 3 / Part-time = 2

Average selling price on bikes: £506

Turnover breakdown:

- Bikes = 51%
- P&A and Clothing = 36%
- Workshop = 13%
(Labour = 30% / Parts = 70%)

How did you get into the bike trade?

I was running a windsurfing business in Sussex during the 80's and one of our main suppliers got hold of Diamond Back and we took them on. In the mid-80's selling a £400 - £500 mountain bike was a piece-of-cake compared to windsurfing gear and we did really well with bikes.

The same supplier also got hold of Marin and we started selling them as well. That's how I got into bikes and cycling, although I still don't really consider myself a cyclist more of a fitness fanatic.

After Marin our supplier then found Kona. It was at that point in my career I realized I had to move on, which coincided with Kona wanting to develop their UK branding and distribution. I took the leap and worked with Kona and Second

Level Sport who were the importer for 13 years.

When Second Level Sport lost Kona I moved to Madison for 3 years as General Manager of The Bicycle Division. The main job was looking after Rocky Mountain, but I also helped with Ridgeback and was responsible for Colnago. Madison was a great learning experience and a good opportunity to meet lots of retailers and understand more about the business.

The move to open a shop was a natural one. I have always enjoyed customer interaction and selling, and I take a great deal of satisfaction from helping customers and passing on my passion for cycling to them. Ultimately I want Quest Adventure to be a centre of excellence for service and knowledge.

How do you find it being a retailer compared with a supplier?

It still amazes me how hard you have to work and how much you have to sell just to stand still. The rising cost of doing business – rent, rates, wages etc – means you have to sell a lot of stuff just to break even.

In terms of how much product you have to stock relevant to how slowly that product turns over, this industry does not make much sense. Clearly the lack of supply of bikes is a critical issue in this respect, especially given how much most suppliers expect you to stock.

The low margins really do suggest that supplier terms should improve. However the lack of profitability is not directly the

fault of the suppliers but with cash-flow being king and so much of it tied-up in stock there needs to be additional flexibility from suppliers.

On the positive side I really enjoy selling to customers direct.

What is the biggest challenge facing your business?

Right now it is all about cash flow. We are in our third year so still new and doing a lot to develop and invest in the business whilst growing sales.

Looking ahead the challenge is also to target more of an "everyday market", the key leisure and commuter customers which can be real bread butter business and where most industry growth will come from in my opinion. There are only so many expensive mountain bikes we can sell so this will help support the high-end stuff.

What do you see as the biggest challenge facing the industry?

A critical issue is the fact that as an industry we are giving away our products and services too cheaply. I believe customers are getting great value from most cycle shops, and probably far more value than they deserve.

We need to start charging more and educating the customer about the true value they get when they spend their money in a cycle shop. In my shop our standards are really high – especially in the workshop – so we should be able to charge more for our services and our customers should be valuing this and be prepared to pay for it.

If retailers made more money they would be re-investing more back into their businesses in more stock / more people / more marketing. In turn this adds even more value to the customer in terms of choice, quality of service and retail experience.

The other big challenge for the industry is to get more involved in promoting cycling, whilst raising expectations and interest in what bikes and cycling are all about. I think most of the public still don't know what cycling has to offer and don't understand what benefit it could bring to them. Shops are one of the key places to do this.

Any plans to start selling online?

No plans in the short-term. Unless you can offer something very specialist or an amazing service it's not worth trying to compete with the established and big e-retailers. My moto is do it properly or not at all.

Do you have EPOS?

Yes, we use Barclays Business Systems. I think it is absolutely essential for running a modern retail business.

Tea or coffee in the morning?

Tea

What would you do with your lottery jackpot winnings?

First of all I would pay-off all my stock debt. I would then ride every single Alpine and Pyrenean col. Then I would get cable TV so I can watch the Tour de France.

members round-up

ACT would like to welcome the following new members:

Aadrenalin Cycles

Baker St Bikes

Bicycle Repair Man

Bikes For All

Bikes 'n' Gear

Bikesport

Bridgtown Cycles

Bunneys Bikes

Cyclepowermeters Ltd

Deers Leap Bikes

Dorchester Cycles

Douglas Cycles

Get Amongst It Ltd

Hilderthorpe Cycles

In Motion Products

Launceston Cycles

M K Cycles

Mikes Bikes (Cyclife Aviemore)

Montague Bicycles (UK) Ltd

Moose Cycles

North West MTB Centre

Owens Cycles

Pedal Power (Formby)

Race Co Cycles UK

Ride (Coventry) Ltd

Simply the Bike

Strada Cycles

Strawberry Cycles

The Cycleworx Ltd

The Tri Store

Tracks Cycle & Camping Ltd

Tracs (UK) Ltd

Triton Cycles

Westbrook Cycles

Wheelbase Lakeland Ltd