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We excel at the fundamentals, and the fundamentals aren't sexy or exciting. People ask us what we do to thrive, and they generally know this is the answer, but they're looking for an easier way."

– John Lyon, co-owner and general manager, Wilkins Harley-Davidson



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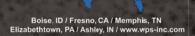




#### On the cover

Photographer Bear Cieri realized quickly that Wilkins Harley-Davidson is a family operation. "Memories of Harry Wilkins, the patriarch who opened the business, are everywhere. And then there is Barb Wilkins [on our cover, far right, with Ann Lyon and John Lyon], who is sweet as pie. I showed up to make photographs and ended up sharing my family photos with her." Our cover story begins on page 38.

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# 'A Trade Journal is Born'

**IN JUNE 1965**, while I was trying to ride my bicycle without training wheels, two smart men decided to launch a magazine.

The first issue was 24 pages, and the first page made the introductions: "SIERRA MADRE, Calif. – Having been connected with motorcycling for over two decades and witnessing the fantastic growth of the motorcycle business in recent years, Wm. M. 'Bill' Bagnall, Editor of 'Motorcyclist' Magazine, has felt that the nation's over-4,000 motorcycle and motor scooter dealers should have an editorial voice of their own. Thus, this first issue of MOTORCYCLE DEALER NEWS."

Bagnall would take charge of the editorial content in partnership with Larry Hester, who knew how to sell ad space.

The first cover story broke the news that Elden Wright had been named sales manager of Johnson Motors Inc. (which at that time distributed Triumph motorcycles in 19 western states), succeeding Don J. Brown, who had recently resigned.

Brown was a longtime contributing editor to this magazine and was still submitting his monthly DJB Composite Index research reports almost until his death in 2010. He was a mentor to many of us who have made our livings in this industry. It is only fitting, then, that we kick off our 50th anniversary year with an article — written 10 years ago for the 40th — by Brown (see page 24). A milestone anniversary is bittersweet. On the one hand, you celebrate the endurance of a business and the industry it reflects. You laugh and nod at the stories. You realize that all is good, that past is indeed prologue, and challenges can be overcome if you just keep at it.

On the other hand, you miss those who have gone before — the mentors with generosity of spirit who put their arms around your shoulders and said, "Listen, kiddo, let me tell you about this business before you make a fool of yourself." You miss the wisdom. You miss the stories. The sadness is palpable.

It is with appreciation for an industry that has achieved so much since 1965, it is with recognition of the many involved building this media brand over the past five decades, and it is with great honor that we launch the 50th anniversary year of Dealernews. We hope you'll enjoy what we've got planned over the next 12 months.

> Mary Slepicka mslepicka@dealernews.com





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# **'THE MARKET IS READY'**

GREG HEICHELBECH ANTICIPATES 'BIG BREAKOUT' FOR TRIUMPH IN THE NEXT TWO YEARS.

THE BUCK STOPS HERE: A chief executive officer, or CEO, is the single person responsible for a company's performance. He or she is the leader of the entire organization and the main link between the business and its board of directors (and usually the media). The CEO's job security hinges on whether the business succeeds or fails.

Dealernews launches its 50th anniversary year with a look at today's CEOs who are responsible for what their businesses will be tomorrow. First up: Greg Heichelbech, CEO of Triumph North America — a historical brand quickly modernizing its infrastructure and achieving double-digit sales gains in the U.S. market. (See page 26 for our History of the Brand: Triumph in America article.) Heichelbech recently talked with Senior Editor Beth Dolgner on mentors, management style ... and favorite bikes.





GREG HEICHELBECH JOINED Triumph North America three years ago, and during his tenure as CEO the company has been almost completely overhauled, with new staff, new processes and new dealer programs. The revamped approach has resulted in 12 consecutive quarters of growth.

Heichelbech attended the University of Wisconsin-Whitewater before landing a job

with Harley-Davidson. He ascended from an entry-level position to Director of Dealer Development for the Retail Environment Group before heading to Atlanta to run Triumph North America.

#### How did you break into the industry?

I was a motocrosser. Like most kids, I rode dirt bikes in the field, then started doing a little racing. One thing led to another. I went to college, and came out and said, 'You know, I need to have a job.' I've always been interested in cars and motorcycles, and Harley was at my back door, and I had a friend from school that was working there and suggested I submit a résumé.

#### What kind of experience did you gain at Harley-Davidson?

Harley gave me a unique experience because they owned a couple of different companies. I was fortunate enough to go to all three businesses. I started at Harley, went to Holiday Rambler, then went to Buell, then went back to Harley, then went to Buell. Let me tell you, they were all different. Buell was a startup and was completely different than Harley, and Holiday Rambler was not a startup but it had been a privately held company, so it operated differently. I got to do all kinds of jobs, from sales to product development to strategy to director of sales to the retail environment of the stores to product launches, so I was able to get a big group of experiences.

#### What were some of the biggest challenges you faced at Triumph?

Well, the brand was great. The products were great. But I think their understanding of the U.S. consumer, market and dealer — and, therefore, the business model — was underdeveloped. So that was something we needed to discuss: how distribution is handled in the U.S. and what that needs to look like to be more successful. That revolved around the dealer model and their profitability, to how the American consumer sees the brand and what really made the brand popular back in the '50s and '60s. What piece of Americana stuck in people's minds, and how [could] we revive that and translate it to today? We had to figure out how to develop that and make the connection.

[We also evaluated] what systems did we need to have in place —

vs. what was available — to support a much bigger business. More dealers, broader geographic space, more volume of everything: parts, accessories, the whole nine yards. That all had to be looked at, and then also we had to make some tough decisions. We were always warehousing our own products and we had our own warehousing staff, and so it was very close to us and it was in the back of our office. We had to make that decision that this wasn't our core business [and] farm that out.

#### Didn't you bring in a lot of new staff?

We did. We had a lot of good people working for Triumph, but the way the company had been going, or the direction they had been taking it, the staff maybe fit that model but didn't fit our new model. Good people, wrong skillset. You try to bridge that gap and say, hey, this group or this individual can adapt and bring them over, and this one's expertise is only in that area and it's not going to help us get where we need to be in a short amount of time. So we had to make some tough decisions. But I think in the long run for everyone, it was better. Everyone's happier. That's the hardest thing: making executive decisions.

#### What is your philosophy as a leader?

Empowerment comes in the form of being accessible to everyone in the organization, basically opening your books. That means showing all the dirty laundry of the company to everyone and saying, 'This is why we're fixing it, and what we have to fix.'

And the other thing [at Triumph] was rolling up our sleeves and doing a lot of the hard work at the very beginning with the managers. That not only helps us learn the business and fix what's wrong, but [lets us] build camaraderie with that group as we fix those problems. That builds a really strong team. So I think a lot of the people in here feel like we've been fighting a war together. 'We've got his back,' and I've got their back.

#### How do you communicate with dealers?

At first it was a lot through our dealer council, which helped us a lot at the very beginning when I came on, getting to understand what the dealer issues were. We tackled a number of issues with their help. Then we started going a little broader by adding 20 clubs. The 20 clubs give you a different perspective because then not only do you get to hear the concerns from a larger group of dealers, but you also get to hear the executional issues within the store.

We've got the dealer council, we've got three 20 clubs going to four, so there are 60 dealers that Matt [Sheahan, COO], myself and Don [Carleo, CFO] get to interact with.

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#### Heichelbech, from pg. 8

### What members of the industry have influenced you the most?

The first one was Rich Teerlink. I kind of saw how he managed himself, how he worked within the Harley family, how he worked with the dealers. There were two VPs who in particular helped shape my attitude toward working with dealers, and that was Jerry Wilke, who was a VP of sales, and Jon Flickinger. Both of those guys were very knowledgeable in the industry, but very good at relationship building and being able to have a tough conversation and leave as a friend, which is very hard to do. I can't say that I've always mastered it.

### What do you see for the future of Triumph North America?

I don't think our strategic initiatives are going to change. What I do see is that both we and our dealers are going to get smarter, more efficient and quicker to reacting to not only the market, but the consumer and his demands. We're going to become stronger and more profitable, and it just kind of happens as a snowball.

And I feel like — and this is a gut feel —

that it's happening, but we need another year of retail success. We've grown 60 percent since we started three years ago, and we're poised to have another good year this year, and I suspect that within the next year or two there's going to be a big breakout for us.

And it's really just around all the work that we've done on those foundational pieces and the strength of this brand.

I think the market is ready for it. I'm talking to people about looking at Triumph, maybe for the first time, or they had ridden [Triumph] in the past and are on another brand, and the other brands aren't as interesting anymore. So there's a lot of openness to change. If we play our cards right, then I think we can fill that void.

#### What is your favorite Triumph model?

It has to be the bike I just got. It's a custombuilt [street legal] flat tracker that's made by Bonneville Performance, our flat track racing team. It's here for the staff to ride so they can see it and get energized. Two weekends ago I was racing at NOLA on a Thruxton, so that was a blast. So right now, those are probably my two favorite bikes.

# **INBOX:** How to overcome the 'Can I help you?' question (and the 'No' answer)

THE JUNE issue ("Dealers improve 'mystery shopper' scores, according to Pied Piper", page 9), states that 84 percent of the time the answer to "Can I help you?" gets the answer, "No thanks, I am just looking."

OK, does that mean that only 16 percent of the people coming into a store actually need something? I doubt it. Also, if your salesperson, consultant, greeter (whatever the title is) gets floored immediately by a "No," you need a replacement, fast.

Simply ask "Looking for what?" It only takes a minute or so of welcoming someone into the store to qualify why they decided to take time out of their day to come in. Those reasons can be endlessly varied:

New to the area and wants to know who can be their local source. If he is already an owner, it is so easy to find out their riding habits. (What motorcyclist doesn't like to talk about their bike and where they go!). Show them the store, introduce him to the service adviser and other staff members. Obviously, you have got the guy's name when you introduced yourself, and if you have a person there who [for example] is also into MX, say, "I'd like you to meet John, he's off most weekends, too," and finish the walkaround.

Thinking about a motorcycle or ATV. If

new-to-riding and drivers education exists in your area, bring that to his attention straight away, give him a brochure and say your shop strongly supports safety and makes machines available.

Oh, I am here because I want to look at the new models, or see what you had by way of used. If you don't know what to do now, you are hopeless!

I saw a new vented helmet and wondered if you stock them. Off you go to the accessory people. "This is Bill, he wants to know about..."

And so on. Even if they just need oil and a set of plugs, if everyone in your area came in for just that small sale, that could be "just" a few thou!

In all cases with a new visitor, do the introduction, get the name(s) and then do the walkaround, make sure he has your card and ensure he has had a pleasant introduction to your store. Let them know what goes on in your area and what events your store hosts. It's a million times better than being stumped with a "No" and going back to waiting for the next person from the 84 percent file.

So, unless the guy has come in to rob the place, you CAN help them!'

— Ian Kennedy, Atlanta

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#### FIRST RIDE: Honda brings back a new and better Valkyrie

TORRANCE, Calif. – After a 10-year absence, Honda has finally brought back the Valkyrie. The original earned a huge range of fans thanks to its unique performance, looks and sound, all courtesy of the flat-six engine lifted from the Gold Wing. The new Valkyrie follows the same principle, but rather than classic lines and chrome, the 2014 machine brings a futuristic new look to match its vastly more modern running gear.

Like the original flat-six progenitor, the new Valkyrie is a combination of three things: class-defying performance, unique driveability and distinctive styling. With a starting price of \$17,999, the Valkyrie slots in nicely with other



premium cruisers. But unlike the vast majority of V-twin options on the market, the Valkyrie's 1832cc flat-six brings significant improvements in power and torque, with a smooth turbine-like engine feel.

The Valkyrie also drops more than 150 lbs. compared to the Gold Wing, for a claimed 750 lb. wet weight, resulting in a much more nimble and responsive machine.

With decent ground clearance thanks to mid-mounted foot controls, the new Valkyrie can hustle from corner to corner quite effectively, without ever needing to revs the bearings out of the huge engine. When it comes time to stop, Gold Wing-spec brakes (capable of dealing with significantly heavier loads) bring the bike to a composed halt thanks to the low-slung, stable chassis. ABS is available as part of the Deluxe model, too.

Riders will want the Valkyrie for how it feels, looks and sounds. Thanks to its huge amount of low-end and midrange torque, the flat six provides a relaxed ride ideal for laid-back cruising and touring riding. Honda also gave the Valkyrie a revised exhaust system with slash-cut mufflers to give the engine a bit more voice.

And the bike's styling is fantastic. The

Valkyrie manages to combine an aggressively hunched, athletic presence with a compact feel from the saddle. The side-mounted radiators, which look bulbous in photos, work perfectly with the bike's horizontal character lines and also serve to effectively direct engine heat and wind away from the rider's lower body.

Finally, the Gold Wing is also unique for where it stands in Honda's lineup, and how it came into being. We talked with Lori Conway and Tony DeFranze, senior product planners for Honda R&D, for some insight.

### **Dealernews:** Where does the Valkyrie sit in Honda's lineup?

Lori Conway: GL has been my baby now for over 10 years, so I've kind of grown up with the Gold Wing. What we wanted to do was create more of a series with that flat-six engine. We looked what was happening in the market, and one area we wanted to address is done with the F6B. It's something that is a little smaller than the current Gold Wing, but still gives that aggressive look and has many of the features designed for touring. With the F6B, we wanted to keep the bags, and keep the audio. But we also needed a step-up for the cruiser guy, because the Gold Wing customer does also come from the cruiser line.

#### The styling is striking, it's not the classic cruiser motif that many riders look for, is it? Conway: We know that our flat-six isn't a

traditional V-twin, so we wanted to step out of that cruiser image and create something that is more modern and fits that flat-six engine better than a classic-style cruiser. **DeFranze:** Our position is more performance-

oriented, and that included more aggressive styling. When the bike handles more like a sportbike compared to the way a traditional cruiser handles, than the styling should match.

It was mentioned that the Valkyrie wasn't designed by a committee or focus group. Conway: We didn't go out and simply ask customers, "Do you like this new model Valkyrie?" Of course, we talk to customers every day, and do a lot of satisfaction and purchasemotivation-type research to understand the customers' needs. But instead of saying, 'here's the model, do you like it," we looked at the customers' needs and how they use their bikes, then built the Valkyrie to that end.

Visit **www.dealernews.com** for the full interview (Dealer Operatons > Sales).

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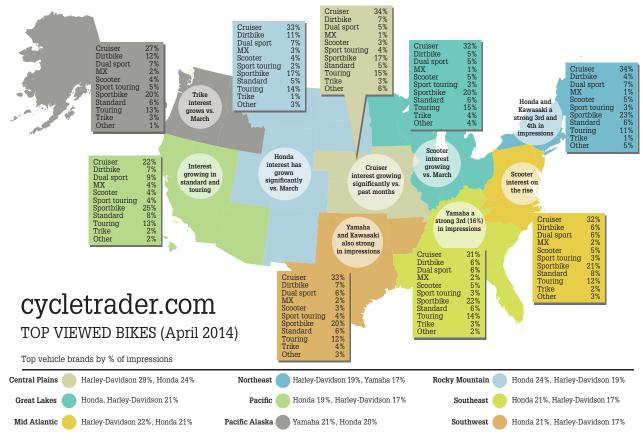


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#### DALE WALKSLER: RETAIL WAS THE ROAD TO TV'S 'WHAT'S IN THE BARN'

DALE WALKSLER HAS gone from retail to television. Walksler, the former owner of Dale's Harley-Davidson in Illinois, now owns and runs Wheels Through Time, a 501(c)3 museum in North Carolina that houses his extensive collection of vintage motorcycles. He's also the star of "What's In the Barn," a show on Velocity. Managing editor Vince Guerrieri talked to Walksler about his retail experiences and how they translated into the museum, and the show. About half the people who come through Wheels Through Time will tell a couple people; the rest will tell everyone they know. There's history, but there's also presentation. We welcome people and get them a cup of coffee.

#### With the museum, do you continue to buy and sell, or is it mostly accumulating? Buying and selling motorcycles I reserved in my past life. You spend your life buying and



How did the museum start?

Walksler: I started my dealership in Mount Vernon in 1977, and before that I had a motorcycle shop, and I already had some old motorcycles. It was a great talking point, and once people realized I was passionate about it, it was very easy to sell motorcycles to them. People would say, "Hey, this guy knows his stuff, I'm going to buy a motorcycle from him." The more bikes I sold, the more I could afford to buy parts to keep restoring these old bikes.

#### You were regularly recognized as a Top 100 dealer, and your museum got you a special award for best use of a theme. How did you keep your business successful?

I was doing \$14 million with 14 people in 6,000 square feet in Mount Vernon. The only way people would buy a bike from me was if they drove 100 miles. When people came to Dale's Harley-Davidson, I had an incredible staff of well-trained, hospitable people. I didn't discount, but I was believable and so passionate, and I'd have women jabbing their husbands in the side and saying, "Just buy the bike." The original Harley-Davidson sign said "sales and service." There isn't enough service these days, and it's hard to find quality service. selling and it's stress and stress. I build or rebuild nearly everything in the 300-bike collection. I have 15 restorations on the table right now, and those are generally additions for Wheels Through Time. Occasionally I'll sell or resell a bike. Primarily, the efforts I put forth are for the museum.

#### Why do you do it?

It's because of the people. I want to find out who you are, where you

live, what you do and how you got there. I'm a historian at heart. The dealership was the road to get me where I am now. When I was selling \$8 million in bikes a year, I wasn't happy. It wasn't that I wanted more, I just wanted to continue collecting and restoring old motorcycles.

#### How do you keep the doors open?

In retail, you make connections with people, and being successful in retail comes down to one thing: customer service. Go to Trip Advisor and see what other people have to say. Websites are your own pat on the back; Facebook is other people's pat on the back. When they share something, they're giving you a stamp of approval.

I went from selling bikes where you could make \$4,000 to making money at the museum \$10 at a time, so we have to look for other revenue streams. In seven years, I produced 300 of our own little television shows. That's our video time machine, and it's a \$9.99 subscription. We also created a new app, Motorcycle Masterpieces, and that's 99 cents. The key is how are you going to bring younger people into the industry? If we're serious about it, we have to communicate with them the way they communicate.

# I AM DEALER EXPO

Attending Dealer Expo has meant so much to me over the years. I've learned, made new connections, and got things done. It's where we all meet.

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# EDUCATION BY DAY... AND **PARTY BY NIGHT**

IF YOU'VE BEEN READING our Dealer Expo updates, you're aware a number of high-profile educators are presenting at this year's event. The Retail Owners Institute<sup>®</sup> will provide innovative training on financial management, Dealer-ship University is bringing in a three-part retail marketing program, and Mark Rodgers will lead the sales track with an exclusive, half-day sales workshop. Now, let's put it all together.

These workshops are part of this year's all new DX National Retail Conference presented by Dealernews. It's a highlevel education and training program with exclusive, customized and in-depth content developed to hone your competitive edge. The Conference will be held Thursday, Dec. 4, before the exhibit hall opens on Friday.

This full day of cutting-edge education is designed to advance the management, sales, marketing and technical aspects of your business. All sessions are focused on core business needs, so you leave with the tools and information you need to take your business to the next level. Better dealers drive more revenue through more effective marketing, increased sales, tighter management and improved technical and mechanical services. What's good for you is also good for the future of the powersports industry. What's not to like?

Even better: The Conference is 100% FREE with your Dealer Expo registration (which is also FREE for powersports retailers).

Now is the time to start thinking about the workshops and presentations you and your team want to attend. And the "learning" won't stop on Thursday. When Dealer Expo opens on Friday, an additional suite of educational offerings are ready for you, right on the show floor.

Friday through Sunday, information will come to you in smaller, 'bite-size' packets as you walk the show floor, meeting with exhibitors and reviewing their products.

• Visit tomorrow's store at the DX Dealership: Like no other you've seen before, the model retail outlet will be developed by merchandising and design students with a keen interest in powersports. Learn now what appeals to your next generation of customers.

	MANAGE	SELL	MARKET	SERVICE
Thursday	RETAIL OWNERS INSTITUTE® Financial Management work- shops (NRC) – ideal for small and midsize retailers, and new managers.	Mark Rodgers' ACCSELLERATE YOUR SALES Workshop – a 'weapons grade' three-hour immersion course to improve your selling skills.	<b>DEALERSHIP UNIVERSITY:</b> Exclusive three-part local store marketing program so you know what works (and what no longer works) in 2015.	TECHNICAL SERVICE 'MASTER CLASS'': A day-long vehicle tech- nical update for service technicians and managers.
Friday-Saturday	DX STORE ROOM: Maximize your space and eliminate dead areas from parts storage – hourly presentations.	LUNCH 'n LEARNS: Hosted table discussions on the topics that count; lunch provided; Reservations required (details to come).	<b>BRAND FORUM PRODUCT</b> <b>DEMOS:</b> Exhibitors show you what's new, how to order it, how to market it and how to sell it for the best margin.	<b>DX STORE ROOM:</b> Maximize your space and eliminate dead areas from parts storage – hourly presentations.
	<b>LUNCH 'n LEARNS:</b> Hosted table discussions on the topics that count; lunch provided; Reservations required (details to come).	<b>BRAND FORUM PRODUCT</b> <b>DEMOS:</b> Exhibitors show you what's new, how to order it, how to market it and how to sell it for the best margin.	DX DEALERSHIP: Do traditional 'best practices' still work? Our self-guided tours will offer new options that will make you think differently about store design and merchandising.	BRAND FORUM PRODUCT DEMOS: New tools and equip- ment for the Service Department - Exhibitors show you what's new.

- Mel Selway of P.A.R.T.S.\* is pulling out all the stops to build out a complete **DX Store Room** as an extension of the DX Dealership. Learn how to organize your stock into the most minimal footprint, as well as when and how to move obsolete inventory.
- Hash it out with retailers from around the country at the **Lunch** 'n Learn discussions.
- More than 100 **Brand Forum product demonstrations** from our exhibitors will show you what's new, how to order it, how to market it and how to sell it for the best margin.

There's a lot going on, so I've summarized our preliminary program in the table on this page. Whether you're a franchised dealership or independent service shop, a large dealer group or a two-man operation, a retail veteran or brand new to the business, a GM or a service writer, you'll leave Dealer Expo 2014 better educated, highly networked and much more energized than ever.

Next is the FUN! – but I'm out of room. So check back next month for the lowdown on not just one but FOUR big evening events that will rev you up, introduce you to some new people, and let you have the fun you deserve.



Are you ready?

*Tracy Harris* Senior Vice President tharris@advanstar.com



Dealernews and Dealer Expo celebrate the achievements of the powersports industry since "Motorcycle Dealer News" began covering it in 1965, with special show features:

ANNUAL INDUSTRY PARTY – Our all-industry Saturday night party will pay special tribute to the legends who launched the brands and built out the dealer networks. Don't miss this once-in-a-lifetime opportunity to meet the mavericks of the industry.

**50TH ANNIVERSARY EXHIBIT** – Stroll through five decades of industry history and get an up-close look at 50 historic vehicle brands (motorcycles, ATVs, PWC, snowmobiles and more) at the Dealernews 50-year exhibit at the front of the Dealer Expo Exhibit Hall.

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# WEDNESDAY

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THURSDAY

Puttin' on the glitz at the 23rd Annual Top 100 Dealer Awards Gala

FRIDAY

All we can say about this secret party is that Millennium Park is heating up tonight.

# SATURDAY

Celebrate 50 years and salute the 'mavericks' who built the dealer networks and shaped today's industry.

# WHERE THE FUN STARTS!



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# New parts for old bikes

SELLING OEM-QUALITY REPLACEMENT PARTS FOR CLASSIC METRIC RIDES — THERE'S A GROWING BUSINESS MODEL FOR THAT

By Bruce Steever

**THE POPULARITY OF THE** café racer and retro-bike aesthetic is growing, especially among younger, style-conscious enthusiasts. Riders have plenty of reasons: Some are attracted to the classic lines, others the rebellious era of the mods and rockers, and some simply want a basic no-frills motorcycle.

According to Royal Enfield, we are entering a "post-performance" era where riders are looking for more honest machines instead of just the latest and greatest superbike. And, of course, there are plenty of riders who are looking to recreate the bikes of their youths — or perhaps the bikes of their fathers' youths.

Whatever the reasons, there are plenty of folks trying to refurbish older machines, rebuild basket cases, or keep high-mileage bikes running like new. Some companies have turned their attention to this need and — in the case of Sudco International — have been rewarded with sales.

Sudco is primarily known as a carburetor supplier, with options for servicing or replacing carbs for a wide range of motorcycles. Since nearly every modern motorcycle has moved to electronic fuel injectors, the carb business is almost forced to focus on older machinery. But Sudco quickly noticed that a large number of sales were going to some of the most popular classic machines from the 1980s: Kawasaki and Honda air-cooled fours.

According to Chad Thompson, sales manager for Sudco, the demand they found led directly to a decision to begin importing other parts for the same models. "We have some ties with Japanese companies, so we ended up finding sources for [these] parts," Thompson said.

Among those Japanese ties is Doremi, a firm that specializes in Kawasaki's Z. "In Japan, vintage bikes are huge, especially Kawasaki triples and the Z1. Doremi is our primary aftermarket source for large parts. Doremi not only supplies OEM-style equipment, they make sure it's perfect, with tooling that meets OEM quality," Thompson said.

These large parts include some of the hardest-to-find, often discontinued components when rebuilding or repairing older machines. These include major structural parts like complete fuel tanks, fenders, body panels and OEM-style seats, as well as smaller details such as OEM emblems and graphics.

Finding OEM-pattern electrical parts is often a challenge with older bikes, but Sudco is able to supply wiring harnesses, stators and even complete instrument panels. Finally, Sudco offers a full range of engine components, from internals such as piston kits and valves to complete OEM-style exhausts systems, and, of course, carburetors.

"Our catalog is constantly evolving, with more and more demand," Thompson said. "Kawasaki retro bikes are in the highest demand, with Honda CBs up next."

That demand has definitely made an impact in Sudco's business. According to Thompson, 30 percent of Sudco's revenue is now coming from OEM-style replacement parts. "We now find ourselves advertising in the café racer magazines, with carb conversion kits and Kawasaki vintage stuff our main focus," he said.

Dealers might be losing out, by not taking the time to learn how to work with older machines and their owners.

"It's hard to say how much they are really losing. But I think the bigger issue is how so many dealers just go off the OEM parts diagram," Thompson said. "If the OEM discontinues a certain item, the dealer parts person then says it is not available when, in fact, there are many places like us where [these parts] are still offered. We get many

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Both independent and factory dealers turn to Sudco to service these older machines. Shops like Pennsylvania's **Mid-Atlantic Cycle Co.** are now fully specializing in vintage metric motorcycles. Mid-Atlantic owner John Lutz said there's a distinct need for specialists in the retro-bike segment.

"I retired in the spring of 1998 and shortly thereafter bought a Kawasaki H2 to relive my youth, quickly realizing there were virtually no OEM, new old stock or aftermarket parts available for this coveted vintage bike," Lutz said.

Lutz proceeded to begin building his own parts to fill his needs. "That led to contacting various suppliers such as K&L, Sudco, Performance Tire, etc., but setting up dealer accounts was very difficult, if not next to impossible. So I started my own small cycle dealership from scratch and specialized in vintage Kawasaki triple parts," he said.

The decision to move from hobby to a business centered on retro machines was clearly a good one. Lutz has also had great success in supplying original parts to the various aftermarket suppliers and manufacturers such as Motion Pro, Sudco, and Doremi and Kyogo of Japan.

"Sixteen years later, my business is booming, as is the Kawasaki vintage parts and bikes business," Lutz said. "I have been successful at having these companies build everything from scratch including cables, turn signals, wheels, body pieces, complete exhaust systems, seats, handlebars ... you name it." The best part of this venture is how the retro motorcycle market is a relatively close-knit community. According to Lutz, most of his business is via word of mouth and direct-to-consumer Internet sales, with 95 of his sales being replacement parts. His customer base is also split almost equally between U.S and international sales, with customers in Australia, New Zealand, the United Kingdom, Scandinavian countries and Japan.

But bike sales and restorations play their parts. "I do occasionally go on the hunt for actual bikes and have an average of six Kawasaki H1 and H2 triples in my little eclectic collection, selling one off every now and then," Lutz said. "I have branched out into engine rebuilds and crankshaft rebuilds as well."

Throughout it all, Mid-Atlantic has worked closely with fellow specialists like Sudco to ensure parts and accessories continue to remain available for these older machines. "I am traditionally in their top five of annual worldwide dealer sales," Lutz said.

Lutz said older machines are clearly an opportunity for dealerships. "These vintage machines can be difficult to locate parts for, and are usually older than the age range of the techs at most dealerships," he said. "My recommendation to dealerships receiving requests to work on older machines is to locate a source for the actual parts prior to committing to the requested job, make sure their techs have the knowledge to perform the work, and stay away from basket case and full resto bikes — which are incredibly time-consuming and best dealt with by a restoration service."





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22 DEALERNEWS.COM JULY 2014

# **ISLE OF MAN TT** 2014

RIDER: DAVID JOHNSON SUPERBIKE: PR KAWASAKI ZX-10R POWER: 200+ BHP TOP SPEED: 190 MPH CHAIN: JT 520 Z1R GEARING: JT SPROCKETS 17/40

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Congratulations to: **David Johnson** on the PR Kawasaki ZX10R for his excellent 4th place in the Superstock race & 12th place in the Superbike race with a 127.884 MPH lap. **Michael Rutter** on the Bathams BMW S1000RR for his 5th place in the Superbike race with a 130.299 MPH lap, & 6th place in the Superstock race. **Ian & Carl Bell** for their superb 4th place in the F2 Sidecar race on their Yamaha UK outfit. **Rob Barber** for his 3rd place in the TT Zero race. **And well done to all the other JT supported riders using JT Chain and Sprockets, obtaining 13 Replicas in the world's toughest road race.** 

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# 1965-2015 Dealernews

#### **BROWN RECALLED...**

The initial work that led to Discover Today's Motorcycling. "This was the first time [in 1986] the major competing companies agreed to work on the industry's major image problems. The program — which got its start from a Dealernews-sponsored gathering of aftermarket, communications, OEM and other company representatives — was initially funded by the four Japanese companies with major contributions from the Diamandis and Peterson Publishing Groups, AMA, BMW and others.

# How it all began

An industry on the verge of explosive growth — and a meeting in a men's room — made Dealernews what it is today

By Don J. Brown

Editor's Note: If you have been working in the industry for more than five years, you already know Don J. Brown, who was one of the first contributing editors to this magazine. His DJB Composite Index and related reports, and his unparalleled access to manufacturer sales data made him the premier researcher in the business. Dealers could calculate their vehicle sales goals by using his State-by-State Index, and Wall Street regularly quoted Brown when they deigned to cover the market. What many people might not realize is that Don Brown was there at the beginning — when Bill Bagnall and Larry Hester realized that a nascent motorcycle market could sustain a news service of its own. Brown wrote the following piece for Dealernews' 40th anniversary, and although he has been gone since 2010, his spirit and wisdom live on.



**THE VIRTUE** of hindsight is self-evident. Yesterday is as clear as a bell; when you are trying to look ahead, well, that's another matter. But even if the "story of yesterday" could be rewritten to change the truth of what happened, this is actually a story of the truth, and it would be hard to change this story for the better — even if you could.

This is the story of a magazine and the two young men who started it in 1965. This is also a story about industry circumstances that helped foster an environment that ensured the two men's initial success.

When this magazine was founded, some companies were already ensuring the substantial growth of the motorcycle industry for the unforeseeable future. Honda, Suzuki and Yamaha were already operational in the United States, and the Fred Masek family had a franchise in Kearney, Neb., to distribute Kawasaki vehicles in the Midwest. In 1965 Honda's small-displacement runabouts had suddenly become popular, in large part due to its well-known advertising slogan, "You Meet the Nicest People on a Honda!" This ad, run in the general press, all but ensured the popularity and general acceptance of this type of motorcycle among the general public. The ad campaign also helped partially bury the image that Marlon Brando was partly responsible for when he played a rebellious biker in the movie, "The Wild One."

Even as sales growth was beginning in a big way, the motorcycle industry was still rather, well, *quaint* in 1965. Most everyone knew everyone else then, and most of us could recite the names of the top executives, owners and managers of the major bike manufacturers and distributors, and most of the aftermarket companies, too. Even the best dealers, many of whom were run by top racers in one category or another, were well known. Consider Aub LeBard, a BSA dealer who had won the famous Big Bear run in California three times in a row. Then there was Bud Elkins, the Gold Medal winner of the ISDT Trials and just about every other major event, including Catalina and Big Bear. Bud was a top Triumph dealer in Southern California.

Jack McCormack, a former field sales manager of Johnson Motors who was sales manager for American Honda at the time, called one day in 1962 to tell me that Mr. Nakamura, the vice president of sales for Honda, wished to meet Bill Johnson, president of Johnson Motors. Johnson Motors was the independent distributor of Triumph motorcycles throughout the 19 western states. At that time I was general sales manager for Johnson.

After the usual amenities, Nakamura, Johnson, my colleague Pete Colman and I shared a Red Label Scotch (which was not an unusual thing to do after hours in those days). Then, Johnson asked Nakamura, "How many motorcycles do you think Honda can sell?" Nakamura replied, "Five thousand units." Johnson grimaced. After pausing for an uncomfortable amount of time, Nakamura moved forward in his chair, raised his finger, and with a firm smile said, "Five thousand *per month.*"

Sixty thousand motorcycles being sold per year would be more motorcycles than had ever been sold in the U.S. market. It was a wake-up call. Johnson was taken aback. Up until that time, he had grown accustomed to the fact that Johnson/Triumph was a relatively big fish in a small pond. And he liked it that way. Of course, the environment for Triumph sales in the United States would soon improve dramatically, in large part due to the trade-up fever being caught by young owners of Honda 50cc runabouts who would cure themselves by buying large motorcycles from the likes of Triumph and Harley-Davidson.

Johnson died the same year as that meeting. He didn't have a chance to witness the expansion that was beginning.

One evening in 1965, Larry Hester and I decided to go to the consumer motorcycle show at the Los Angeles Sports Arena, next to the Coliseum. There was a welcome party before the show hosted by Joe Parkhurst, founder (in 1962) of Cycle World. Hester and I attended not because just about everyone in the industry was there, but rather because Larry had a bee in his bonnet about the sudden steady increases in motorcycle sales, and because the consumer show was the first of its kind since Honda had entered the U.S. market.

Bill Bagnall back then was editor of Chuck Baskerville's Motorcyclist magazine. Hester ran into Bagnall in the men's room and asked, "Are you guys going to start a trade magazine? If you don't, I will." That friendly declaration was the start of what soon would become a profitable partnership, and soon after that fateful meeting, Bagnall and Hester drafted an informal agreement to launch Motorcycle Dealer News.

In the beginning, Hester kept his name off MDN's masthead listing because he was still under contract to sell ads for a model car magazine and he needed the \$1,000 due to him from the sales of advertising. (Some believe that Bagnall founded the magazine alone and Hester later acquired his interest with the \$1,000 he received from his draw with the other magazine. Great story, but not true.)

Bagnall and Hester did what was necessary to sell advertising and put the magazine together at the printer. Bagnall had experience in both typesetting and offset printing, and he knew how to work with a printer to get a magazine ready. Hester knew how to sell ads — even so, when he could, he pitched in with Bagnall to complete the process at the printer.

The new partners in publishing received a lot of help in the beginning. Hap Jones, the well-known tire distributor out of San Francisco, Calif., lent the two his national mailing list in order to generate subscriptions. They received similar assistance from Tom Heininger of Webco, a renowned aftermarket distributor in Venice, Calif.

Heininger later attended a trade show featuring specialty aftermarket auto products and told Bagnall and Hester that it was time to produce a similar show for the motorcycle industry. Not long after their conversation with Heininger, the partners launched the first Motorcycle Dealer News-sponsored market trade show at the Disneyland Hotel in Anaheim, Calif. That show, and its sister shows across the country, evolved into the granddaddy of powersports aftermarket trade shows, the Dealer Expo.

#### From the DN/MDN Archives

1965	There are 1.4 million registered motorcycles in the United States.
1966	Yamaha launches "Join the Swinging World of Yamaha" advertising campaign.
1967	Bell introduces the first helmet with full-face protection.
1969	Spectra-Nova introduces the AM Helmet Radio.
1971	Motorcycle Industry Council urges manufactur- ers to discontinue production and use of ex- haust systems exceeding certain decibel levels.
1972	Kawasaki begins the Superbike era with the introduction of the KZ900cc-4.
1975	5 million motorcycles are registered in the United States.
1976	Midyear motorcycle sales drop correlates to an 18 percent decline in home sales.
1980	Terry Vance and Byron Hines form a high- performance supply and race representative company.
1983	International Trade Commission rules that Jap- anese motorcycle manufacturers have flooded the U.S. market and pose a significant threat to Harley-Davidson.
1985	There are 5.4 million motorcycles registered in the United States.
1988	Consent decree bans the sale of three-wheeled ATVs from manufacturers to dealers, but stops short of the recall demanded by groups who believe the vehicles are dangerous.
1989	Kawasaki moves up in U.S. sales volume, No. 2 behind Honda.
1991	First antilock brakes appear on motorcycles.
1992	More than 1,300 franchised dealers have closed their doors since 1984, reports researcher Don Brown.
1996	Don Brown forecasts 644,474 new units sold for the year, with ATVs now taking up nearly half the market.
1998	Snowmobile sales reach 257,936 units world- wide.
2002	79,300 personal watercraft units sold world- wide.
	Watch for more timelines in upcoming issues





### **Triumph** in America MIKE VAUGHAN ON THE EVOLUTION OF THE BONNEVILLE

IT IS HARD TO BELIEVE that 20 years have passed since Triumph decided it was time to set up shop again in the United States, the first time since 1983.

John Bloor launched his line of motorcycles at the Cologne show in 1990 and slowly expanded through Europe and the United Kingdom. After a four-year test run in Germany, he figured that if they could stand up to the abuse handed to a motorcycle in Germany, they were good to go anywhere.

At the time Triumphs were distributed through a mixture of third party and Triumph-owned outlets. In 1993, Kawasaki Motors Corp. USA proposed a distribution agreement that included a separate sales and marketing organization, housed in its own facility with a dealer organization separate from Kawasaki's. After some thought, the proposal was rejected and Triumph struck out on its own, establishing a headquarters and distribution center in Peachtree City, Ga.

The Georgia location was logical and practical. There would be only a six-hour time differential between the UK and the U.S. headquarters, so any business that needed to be conducted between the UK and the U.S. could be handled promptly, almost on the same day. A major port existed a few hours away in Charleston, S.C., land and

lease costs were reasonable, and a major international airport (Atlanta Hartsfield) was only about a half-hour away.

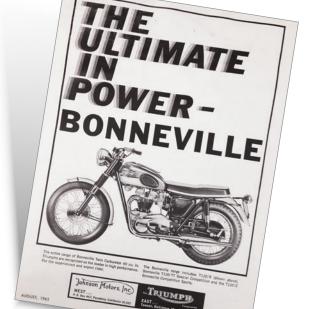
By late 1994 a building had been located and staff hired, and the quest for dealers was underway. Michael Lock, the first president of Triumph, set out to locate dealers who were "passionate about the brand" and personally interviewed all of them.

Lock departed in 1997, and Ross Clifford, who'd been in the marketing department at Triumph International, took his place. I was hired in early 1998, initially as general manager, and then I was promoted to CEO. By this time we had around 100 dealers, a lot of uncovered markets and a lot of pressure to fill them. I think the entire United States was covered by six district managers, all of whom had huge territories, one stretching from Texas to the Canadian border.

Internally, we had probably another dozen or so people responsible for dealer service, customer service, sales, warranty administration, marketing, warehousing and parts and accessories. Just about everyone wore several hats. As far as sales were concerned, we were hardly a black spot on the monthly Motorcycle Industry Council Retail Sales Reports.

Getting any organization off the ground is difficult and tenuous, as evidenced by the startups and failures that litter our industry. Aside from the fact that we were basically just getting started, our model line, with few exceptions, was behind the curve in terms of styling and development. Other than that, the mechanicals were good, and the quality and finish were excellent. The pricing,





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#### Triumph, continued

however, was out of line with the market. A 1998 Thunderbird listed for \$8,995, and at the same time you could buy a new Kawasaki Vulcan 1500 for \$7,699 or a Honda CBR900RR for \$8,999. Granted, compared to other European bikes, Triumph was on the low end, but the brand at that time was more frequently compared to the Japanese than Ducati or BMW.

In 2002 Triumph finally rolled the bike that every diehard had been waiting for: the Bonneville. It quickly became Triumph America's best seller, and to this day the Bonneville and its variants remain the point of the sales spear for the company.

The Bonneville also opened dealers' doors to Triumph. Dealers that had been hesitant to take the brand, now wanted to get in on the action. Overall, with the addition of the Bonneville and other new models, and the fact that throughout the line engines and bikes were rapidly being redesigned, updated, and restyled, led to increased Triumph momentum.

In 2004 Triumph decided to quit pursuing the four-

cylinder market, and focus on what it had historically and recently been known for: twins and triples. Since then, Triumph has developed a line of 26 motorcycles that covers all segments of the market, with the exception of off-road. Currently the smallest displacement bike in the lineup is the 675cc triple and the largest, the 2300cc Rocket III; however, in the spring we were already hearing and seeing rumors and spy shots of a bike in the 300cc displacement category, which would give Triumph additional sales opportunities.

The company has now moved to larger headquarters near the Atlanta airport. The staff has practically tripled since the early 2000s and now numbers close to 70. Customer service, which used to run like most companies (from 8 a.m. to 5 p.m., Monday through Friday), now operates 24 hours a day, seven days a week. Triumph's goal in coming years, says CEO Greg Heichelbech, is to become the best-selling European motorcycle in North America, a goal to which it's closer than you might think.

– Mike Vaughan

# Anniversary editorial series



# **Pacific Coast** Sunglasses

THERE WAS A TIME when George Popovich only worked a few days a week, selling sunglasses at flea markets. That part-time gig turned into Santa Maria, Calif.-based Pacific Coast Sunglasses, a company that in 2014 celebrates its 30th year in business.

George followed in the footsteps of his grandfather and his father by selling sunglasses at flea markets throughout the 1970s before he and his sister, Mara Sides, teamed up to enter the mail order sunglasses business. Both of them invested \$500, set up shop in a garage and began placing ads in magazines from Easyriders to GQ.

But it was a tiny black-and-white ad in the back of Easyriders that brought in the most business, publicizing the style of sunglasses that customers clamored for: the Original KD options, modeled after the popular moto style of the 1950s.

"We sold all kinds of stuff — all of the popular brands at the time — but this particular brand really hit, so we moved into the motorcycle world," George said.

George and Mara opened a store in a 1850s-era building in the tiny gold rush town of Jackson, Calif. Called Shirts and Shades, the shop was popular with tourists. A second shop opened in Sonora, but as the mail order business grew, the stores' walk-in customer base shrank.

In the Jackson location, every nook was dedicated to cases of sunglasses. Mail order was a booming business, especially as dealer and wholesale opportunities grew. The trucks that delivered the sunglasses were so big that they blocked Jackson's main thoroughfare, stopping traffic while the cases were unloaded. The two Shirts and Shades locations were eventually closed so George and Mara could focus their efforts and available space on the sunglasses.

In 2000 Pacific Coast Sunglasses moved to its current location in Santa Maria. George's wife, Patty, got involved when Mara retired. Patty and George are now the sole owners of Pacific Coast Sunglasses, and the Original KDs are as popular now as they were 30 years ago.

"The KDs are our claim to fame. They started out pretty rough-looking, and we've refined them over the years to have a better fit — narrower temple, better lenses — but the basic shape hasn't changed since the '50s," George said. (continued)



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#### Pacific Coast Sunglasses, continued

Options for the Original KDs have evolved: 30 lens colors, graphics, photo chromatic lenses and polarized lenses have joined the lineup. PCS even introduced a lens option that doubled as reading glasses. And it's certainly one of the most iconic brands, thanks in part to the television show "Sons of Anarchy."

"I started getting calls, saying 'I want the glasses Jax wears!'" Patty said. Her initial reaction was, "Jax who?"

The Original KDs are also the co-star of "Counting Cars" on History. The show follows Danny "Count" Koker, the owner of Count's Kustoms and a longtime wearer of Original KDs. His image graces the cover of the current Pacific Coast catalog (see page 28).

The renewed popularity of the Original KDs led to a lot of

requests for something a little bigger. The X-KD model debuted in 2013 with frames that are 20 percent larger.

Pacific Coast offers plenty of other options, from the women's Chix model to goggles such as the Airfoil and Kickstart. Every model that the company offers is its own trademarked product, with one exception: it is the U.S. importer of Nannini leather goggles from Italy.

George estimates that they have sold more than 200 different styles during the past 30 years. Pacific Coast introduces new styles every year — and they sell. Even in lean years, Pacific Coast stayed afloat. During the economic downturn, the company gained new dealers who needed an affordable eyewear option for their customers.

"Our products are really good quality at really reasonable prices. We make it very easy for the dealer to buy, so they're not limited," George said. "Service is always No. 1 with us."

That service includes a low minimum order price of \$72 and is designed to be practical for small shops and dealers. George and Patty frequently talk to dealers to tailor their orders, but retail customers might also get extra attention when they call Pacific Coast. George still answers calls, and he said customers are "surprised to get the owner on the phone, but we don't know what they need if we don't talk to them." — Beth Dolgner

PENTON PARTY. More than 800 people, including the legend himself (inset) showed up June 9 for the premiere of "Penton: The John Penton Story," at the

Ohio Theater in Playhouse Square in Cleveland. The documentary, directed and produced by Todd Huffman, tells the story of the Cleveland-area native and his racing and motorcycle importing legacy. The film is available to screen at dealerships or events through https://gathr.us/. --Vince Guerrieri





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#### FUEL FOR THOUGHT

Dave Koshollek teaches sales and service classes for dealers. Contact him at dakoenter prises@cs.com, or via editors@ dealernews.com.



Read the full version of Koshollek's interview with the Stubbs family on www.dealernews.com.

# One 50-year perspective

WE DISCUSS A HALF-CENTURY OF BUSINESS AT BUDDY STUBBS H-D

WITH THIS MONTH being the kickoff to the Dealernews 50th anniversary in 2015, I felt it fitting to interview Jack Stubbs, one of the owners at **Buddy Stubbs Harley-Davidson** in Arizona. After all, both Dealernews and Buddy Stubbs H-D share a 50th anniversary within months of each other.

The dealership began with 3,600 sq. ft. of space,

one-third of which was devoted to service. Today, the two dealerships employ 55. The Phoenix shop, which includes a 1.5-acre rider training range, is more than 50,000 sq. ft., with 14,000 sq. ft. devoted to service.

The Anthem shop has more than 25,000 sq. ft., with 10,000 sq. ft. devoted to service.

#### Who in the Stubbs family works at the dealership? Jack Stubbs: Our father/

founder Buddy, my brother, Frank, and I manage the business. Each of us has different responsibilities but we always collaborate on daily decisions and future business strategies.

### What do customers like about your service departments?

They like the personalized attention. They trust our technicians because they're factory-trained and pride themselves on a job well done. They like that our service consultants keep them informed.

#### How has your customer base changed?

There's been a substantial increase in female riders across the entire H-D model lineup. Also, with the addition of the Tri-Glide in 2009, H-D opened up a whole new market for us.

#### What service amenities do you offer?

Pickup and delivery are always complimentary, as well as a full detail after the bike has been serviced. We also offer a free tire pressure check without having to bring your bike in for service, and we urge riders to stop at our service write-up entrance and get their tires checked prior to any ride.

#### What type of employee training do you offer?

All technicians are H-D PHD certified, and their education continues at the dealership with Harley-Davidson University's online courses. We keep staff engaged in instructor-led training that's offered in Milwaukee or right here in Phoenix at the Motorcycle Mechanics Institute.

### What are the top five challenges to running a service department?

With today's modern technology, a service depart-

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In its 50 years, Buddy Stubbs Harley-Davidson has expanded from one store to two.

- Maintaining a reputation of dependability. Customers must be able to trust your service department.
- Enhancing the perceived value. Service consultants must be knowledgeable about the benefits of each accessory and how it answers the customer's needs.

#### What work earns the highest profit margin?

Pre-recession dealerships were hitting big numbers with over-the-top customization. Today, customers are more cautious with their spending. Routine maintenance is our primary focus now, and our talented technicians ensure the service department is profitable with their high efficiency.

#### How do you orient new hires to your company culture and operations?

I have to thank the department managers for this – they coach new employees to be an integral part of the Buddy Stubbs family, starting day one.

#### What recommendations do you have for familyowned dealerships?

Families need to stick together and listen to what each other has to say. It's not easy, takes a lot of work and you are never really off the clock.

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ABOVE, RIGHT: Before the early 1800s, horses were the primary means of power for agriculture and transportation needs. But the advent of the steam engine led to a long decline in the use of horses, and by 1920 they were not used in significant numbers in the United States. Pictured is Becky VanGorder, a member of the Endless Mountains Draft Horse Club. plowing with her two Percheron draft horses. DJ, the white horse and his companion, Donnie provide exactly "two horsepower" to pull the plow through the field.

# Dynamometers explained



EVERYONE TALKS HORSEPOWER, BUT HOW DO YOU ACTUALLY MEASURE IT?

By Tracy Martin

**THE TERM "HORSEPOWER"** is often discussed at a dealer. "How much horsepower does this model have?" "How can I get more horsepower from my bike?" "These two engine are the same size. How come one has more horsepower than the other?" This article will provide a brief history of horsepower as well as the tools used to measure it.

Defining horsepower has always come down to who you ask and what machine (dynamometer) was used to measure it. To complicate things further, there are many definitions of horsepower, including gross, brake, shaft, effective, indicated, relative, SAE Gross, DIN, JIS, ECE, ISO, shaft, watts, kilowatts, advertised and rear wheel. To understand the term — and be able to explain it to your customers horsepower needs to be put into historical perspective.

How much power an engine produces has been a subject of controversy since the advent of the steam engine in the

late 1700s. The dollars and cents of measuring engine power is easy to understand. For example, if

an engine made by one company makes 100 horsepower and another manufacturer makes an engine that produces 104 horsepower, and both engines sell for the same price, which is more desirable?

This logic applies not only to engines, but also anything that can be added to an engine to increase horsepower, like

exhaust systems. Many aftermarket exhaust manufacturers advertise that their systems will increase the power output of an engine. If two similar systems claim different power increases, one will have an advantage in the marketplace. This is also true of motorcycle manufacturers. Honda, Harley-Davidson, Suzuki, Kawasaki, Yamaha, Ducati, BMW, Triumph, KTM and other manufacturers all are trying to sell products, and if horsepower is a factor in the equation, more can only be better.

Read the latest review of any motorcycle and more than likely rear wheel or crankshaft horsepower will be listed as a means of comparison between similar bikes in a particular class. Horsepower is measured using a device called a dynamometer, and while these machines don't produce power like an internal combustion engine, they have something else in common. When it comes to advertising horsepower numbers, more is always better.

Every company that manufactures dynamometers has a practical reason to steer potential customers away from their competition by pointing out why the other guy's dyno produces inflated or inaccurate horsepower numbers. Messing around with the numbers that calculate horsepower has been going on for a while. In 1712, Thomas Newcomen designed the first commercially successful steam engine, but it was not very efficient and had limited uses, mostly pumping water out of deep mines.

A Scottish mechanical engineer, James Watt, came up with a vastly improved version of the steam engine in 1764 that used 75 percent less coal than the Newcomen engines. Watt's business plan was to collect royalties from his customers based on the savings in coal, which worked for customers that had existing steam engines and could track their use of coal. But mine operators that still used horses to get their work done need a different way to calculate what they would pay for this cutting-edge technology — the steam engine.

Watt's plan to entice mine owners to purchase one of his



This is James Watt's formula for calculating how much work a horse could perform. He estimated that a single horse could turn a mill wheel 144 revolutions per hour, or 2.4 rpm. If the mill wheel was 24 feet in diameter (12 feet radius), the horse would have to travel about 180 feet to turn the wheel. If the average horse could pull with a force of 180 pounds, the total work the horse could accomplish is equal to 32,572 foot pounds in one minute.

steam engines was based on how many horses the owners could replace. But a question had to be answered: how much work can a single horse accomplish in a given amount of time?

Watt reasoned that if a horse could hoist a bucket of coal weighing 366 lbs. up a mine shaft at the rate of one foot per second, in one minute the horse could raise the bucket 60 feet. With this information, Watt calculated that the horse could raise 21,960 lbs. one foot in one minute (366 x 60 = 21,960 foot-pounds per minute). Other engineers at the time placed the amount of work a horse could do at 22,916 or 27,500 ft. lbs.

Watt experimented further, and in 1782 found that a brewery horse (a large breed) was able to produce 32,400 ft. lbs. of work per minute. Watt rounded that number up to 33,000 and that became the standard still in use today.

Few horses of even the largest breeds can pull that much weight for any length of time, and there was speculation that Watt had exaggerated the number to his advantage for the purpose of overvaluing his steam engine's capabili-

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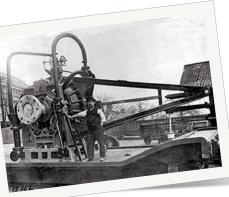
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#### SERVICE



ABOVE: William Froude was born in England in 1810 and in 1877 he invented the hydraulic dynamometer, or water brake. Pictured is a large version of an early water brake circa 1890 a model FA7, Froude Hofmann. The torque arm is easily visible to the right and looks to be almost 15 feet in length. The company was established in 1881 in is still in business, providing design and manufacturing of high technology and specialized test equipment. They produce power measurement products for engines used on ships, automobiles, aircraft even motorcycles. Photo courtesy Froude Hofmann/Tracy Martin ties. Another view is that Watt was just applying good marketing techniques by comparing horses (a familiar form of power and effort at the time) to new technology — the steam engine. With the proliferation of the steam engine, and Watt's formula for horsepower, a way to measure power output was needed.

#### THE DYNAMOMETER

The first dynamometer was invented in 1821 by Gaspard de Prony. The de Prony brake, as it was called, was used to measure the performance of engines and other types of machines. Dynamometers have been widely used since the late 1800s to measure the torque of steam engines. The water brake type of dynamometer, sometimes mistakenly called a hydraulic dynamometer, is the oldest type of design and is still used today. These power absorption units can accommodate anything from a Briggs and Stratton lawnmower engine that makes two horsepower to marine diesel engines that can produce hundreds of thousands of horsepower. These early dynamometers basically consist of two half couplings — a rotor and stator.

For measuring horsepower from powersports engines, there are two basic types of dynamometers: engine and chassis. Engine dynamometers are used to measure power directly at the engine's crankshaft or flywheel. The engine is tested without its transmission or drivetrain connected — in other words, it's not installed in a motorcycle but rather on a test stand. For the majority of riders, removing their engine for this type of testing is too costly and impractical. The chassis dynamometer measures power at the motorcycle's rear wheel and the bike simply has to be ridden on to the chassis dyno and strapped down.

Let's take a look at the two most common dynamometers we use — inertia and eddy current dynamometers.



The Dynojet 200i from Dynojet Performance is an inertia type chassis dynamometer that provides a quick way for motorcycle dealers and independent repair shops to verify repairs and diagnose a variety of performance problems. It comes with an atmospheric module that provides a correction factor to ensure consistency between dyno runs made under varying conditions.

#### **INERTIA DYNAMOMETER**

The most common design of dynamometer for powersports use is the inertia type. It doesn't actually measure torque, but instead calculates it by measur-

ing acceleration. The rear wheel of a motorcycle (or ATV) accelerates a 900-lb. steel drum. Force at the surface of the drum is measured indirectly by measuring its acceleration from one revolution to the next. Force is calculated using Newton's 2nd law (mass times acceleration). Because the mass, or weight, of the drum is known, force (horsepower) can be calculated.

This Dynojet 250i load control (eddy current) dynamometer can hold engine speed steady at any throttle opening. The dyno can measure up to 750 horsepower at speeds of 200 mph. It can also be configured to run sweep tests like an inertia dynamometer. This type of dynamometer is available in a portable design (pictured) or for in-ground installations



A typical dyno run begins with the engine running just over idle, in fourth or fifth gear, with the rear tire turning the drum. When the throttle is opened, the engine accelerates the dynamometer's drum as engine speed increases to redline. Computer software used with inertia dynos can accurately measure acceleration of the drum over small increments of time and calculate a value for torque. Using torque and engine RPM, rear wheel horsepower can be calculated.



This Dynojet eddy current load absorption unit is ideal for testing motorcycle engines because of its quick response and loading capabilities. The electromagnetic coils can be seen next to the heat absorption rotor. The rotor looks like a disc brake for a car and has large cooling fins and passages to dissipate heat created by a loaded engine.

#### EDDY CURRENT DYNAMOMETER

The eddy current brake type dynamometer uses electricity to place a load on an engine by creating a magnetic field.

The engine under test is connected to the dyno's input shaft that spins a metallic rotor creating a magnetic field. When current is increased to the dyno's internal electromagnetic coils, the rotor shaft becomes harder to rotate and thus loads the engine. Torque load is measured using a strain gauge similar to those used on a water brake dynamometer. The rotor gets hot as the dyno resists the engine's power and must be cooled.

Eddy current dynamometers that are used for testing motorcycle engines are usually air-cooled, employing what looks like an oversized automotive brake rotor with large cooling fins.

Eddy current dynos are accurate and offer the flexibility to perform steady-state load testing or acceleration sweep testing like the inertia dynamometer.

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# IT'S ABOUT 65 THE BASICS

#### FOR WILKINS HARLEY-DAVIDSON, THE SECRET TO SUCCESS IS KNOWING THERE IS NO SECRET

By Marilyn Stemp • Photography by Bear Cieri

HIS IS NOT a riveting, tell-all story.

Here, you won't find the silver bullet to instant success, the magic catalyst to turn around an ailing business or the secret sauce to stability. Those things don't exist, according to John Lyon, co-owner and general manager of Wilkins Harley-Davidson in Barre, Vt.

So why keep reading? Because as winners in the Dealernews Top 100 competition and recipients of H-D's Platinum Bar & Shield, the Wilkins family must know something about running a successful dealership. Lyon said it's essentially this: "We excel at the fundamentals, and the fundamentals aren't sexy or exciting. People ask us what we do to thrive and they generally know this is the answer, but they're looking for an easier way."

Think of it like this: If you were fixing a broken motorcycle, you wouldn't begin by taking the bike apart. You'd start by checking the basics — spark, fuel, connections — and work from there. That's the approach Wilkins has taken from the beginning: Get the fundamentals right and success follows.

A family-owned dealership currently under the guidance of a third generation, Wilkins H-D had humble beginnings. When Lyon's grandfather, Harry Wilkins, was still serving in the Army Air Corps during World War II, he wrote a letter to Harley-Davidson asking to be appointed as a dealer at war's end. In 1947, when he got back to his mother's home in Barre, he learned his application had been approved. He sold the first three motorcycles out of his mother's garage.



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TOP Sales Manager Matt Cappetta works with a customer after securing a sale. ABOVE: Service technician Dan Stevens works on a bike on one of the dealer's six lifts. BELOW: Barbara has been in the motorcycle business since 1947 when her husband, Harry Wilkins, founded the dealership. INSET: Wilkins sits atop his first motorcycle. This picture hangs in the office of GM John Lyon, Wilkins' grandson. To supplement his income from the fledgling dealership, Harry had a second job at a dry cleaner, where he met — and married — the boss's daughter, Barbara.

At their 67th anniversary party this past January, 85-year-old Barbara was on hand, as she is every day, along with her daughter, Ann, who runs the back office, and Ann's son, John Lyon, who's been managing the business for the past 10 years. Lyon credits his military college background, law practice experience and family examples like his grandmother for providing the foundation that keeps Wilkins H-D on an even keel.

"It's Leadership 101," Lyon said. "Everybody in a group needs to do themselves what they ask others to do. I encourage the staff to challenge me. I try to maintain a level playing field with them on most issues. Anything I hold them accountable for, they should be able to hold me accountable for."

Lyon also says that while there is no strict hierarchy, there is a chain of command, but it's there only to achieve a certain process. He grew up observing and emulating the family example, and realizes that the entire Wilkins staff learns by example every day, which gets back to accountability — for everyone. Unparalleled customer service is the hallmark at Wilkins H-D.

Barbara runs the sales floor and she's the undisputed queen of her realm. Wilkins has customers who can say that Barbara has sold motorcycles to four generations in one family. Some of them recall days at the old shop near Harry and Barbara's home when Barbara would pass a plate of sandwiches around the shop for anyone who happened by. People say she's always treated everyone like family and that homey atmosphere is a core part of the company culture. Lyon keeps the tradition going by maintaining a presence around the shop, stopping to share coffee and doughnuts with customers and staff alike. The pictures here reflect the climate of camaraderie at Wilkins.

"Our customers can sense the genuineness of our staff," Lyon said. "Our staff aren't being told to take care of our customers, they truly want to."

Part of that equation is that no one at Wilkins, not even the sales people, work on commission. "Our staff is not driven by money to sell products to customers," Lyon said. "They're here to help customers the best they can. Others disagree with this structure and it may not work for everyone, but it works well for us."

Another key to customer satisfaction is that every staff member is entrusted to make decisions. Other shop owners might say there's potential for abuse when you empower your staff to act, but that's not a concern at Wilkins. "We absolutely allow our staff to make things right with customers," Lyon said. "That's very important here."



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ABOVE: Master Detailer Ernie Eggleston makes sure the bikes are looking good. RIGHT: Business Manager Dave Eisenhart, MotorClothes Manager Jenna Salerno (r) and her associate Morgan Donahue, new hire Ryan McCain.

Prosperity doesn't derive from complacency, either, so another principle that pervades Wilkins is "that constant attitude that we can always take it up a notch. You never arrive; you just need to keep working," Lyon said.

His full-fledged confidence in this mode of operation is not only compelling, it's bolstered by facts. Customers come from well outside of Vermont and New England — from as far as Nebraska — to buy bikes from Wilkins. There's a reason for this, but it's not because of price. "We're not the cheapest, but we're fair when it comes to selling motorcycles," he stated frankly, "and we never will compete on price."

That's been the Wilkins way from the beginning. "You have to make a fair profit to stay in business and take care of your customers, but people don't like to talk about that," Lyon said. "We believe people are willing to pay a fair price if they know you will be there to take good care of them after the sale."

For a customer, there's comfort in the idea of being treated just like everyone else. There are no backroom bargains, affiliations to curry or special deals to garner. The price of each bike is clearly shown on the price tag; no fees added, no haggling required, no surprises. Everyone is treated equally and very well, too.

Customer service has become such a mantra these days that it's almost lost its meaning as every kind of business, from hospitals to hotels, strives for high marks. This is why industry recognition is a vital factor in culling attention, because independent assessments give consumers a frame of reference. Wilkins is justly proud of the accolades and awards it has garnered for its customer service and Lyon is upfront about the marketing value they bring to bear on a dealership's reputation. Only six H-D dealerships in the United States receive the Platinum Bar & Shield award each year and Wilkins is one of them. They've also received nine other Bar & Shield awards over the years. That matters.

While he is mindful of and grateful for the prominence such recognitions confer, he's also vigilant about keeping the Wilkins staff grounded and modest in the face of them. "While we appreciate the awards, it's not a focus," he said. "We concentrate on taking care of customers. If we get to the end of the year and don't get an award, we still made a lot of people happy and we stayed in business."

Articles like this one invariably generate a few calls, and Lyon doesn't mind that. "Everything is open book with us. When people ask for our secret, we're not holding back. I tell them what I'm telling you."





He also reminds them they're not alone in looking for ways to stay ahead of the curve. "I certainly read the magazines and visit the industry forums looking for ideas, too, but in the end, it comes back to the important thing: what are the fundamentals?"

So as mundane as tending to the basics might be, you can't have read this far and ended up surprised. Should you take John Lyon's advice to recharge your own business? That's up to you. But you can't argue with success.

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#### MANAGEMENT



#### **DEALER** @ a GLANCE

## WILKINS HARLEY-DAVIDSON

663 South Barre Road, Barre, VT 05641 • 802-476-6104 • www.wilkinsharley.com

OWNER(S): John W. Lyon, Ann Lyon and Barbara Wilkins GENERAL MANAGER: John W. Lyon

EMPLOYEES (TOTAL): 22 YEARS IN BUSINESS: 67 YEARS AT CURRENT LOCATION: 20

ANNUAL REVENUES: \$9.6 million DMS USED: Talon

#### HOURS OF OPERATION:

Closed Sunday and Monday Tues., Wed., Fri.: 8 a.m. to 5:30 p.m. Thursday: 8 a.m. to 7 p.m.; Saturday: 8:30 a.m. to 3 p.m.

GROUPS/ORGANIZATIONS SUPPORTED:

Harley Owners Group, Muscular Dystrophy Association, Humane Society

STORE SIZE: 11,000 sq. ft. SHOWROOM SIZE: 4,000 sq. ft. ACCESSORIES/APPAREL DEPT. SIZE: 2,000 sq. ft. PARTS DEPT SIZE: 3,000 sq. ft. SERVICE DEPT SIZE: 2,000 sq. ft. SALES DEPARTMENT SALES MANAGER: Matt Cappetta F&I MANAGER: Dave Eisenhart ASSOCIATES: Jon Sargent, Kyle Fowler

#### PARTS DEPARTMENT

PARTS MANAGER: Mike Sargent ASSOCIATES: Tony Anjos, Tausha Simmons, Ryan McCain

#### ACCESSORIES/APPAREL DEPARTMENT

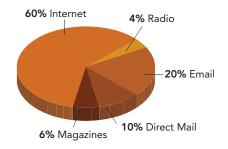
DEPARTMENT MANAGER: Jenna Salerno ASSOCIATES: Morgan Donahue, Brigitte Fuller

#### SERVICE DEPARTMENT

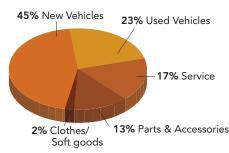
SERVICE MANAGER: Roger Clark TECHNICIANS: 5 SHOP RATE: \$90/hour



Advertising Budget



#### Sales by department









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# **BAB Record Rebound:** 76 units sold in April

BY JOE DELMONT

#### SHENK ATTRIBUTES IMPROVEMENT TO PERSONNEL CHANGES

**PUNTA GORDA, FLA.** – April was a huge turnaround month for **Destination Powersports** as the dealership sold a record 76 new and pre-owned units and posted a net income of \$19,485.

By comparison, the dealership lost \$13,945 in the first three months of the year, including \$12,290 in March. It sold 136 units for the entire first quarter.

The dealership earned \$14,569 and sold 47 new and pre-owned units in April 2013, at its previous location.

Total revenue for April hit \$736,117, an increase of more than \$270,000 from April 2013 and a gain of more than \$260,000 over March 2014. For the first quarter, the dealership had revenues of \$616,000.

Why the big change? "It's all people," said owner Bill Shenk, referring to several new hires made this spring. "But we're still not on our A game yet."

The dealership posted revenue gains in all five departments compared to April of last year. Unit sales revenue was up, \$599,324 compared to \$362,613; F&I net revenue increased to \$29,465 compared to \$16,869; parts revenue increased to \$36,123 compared to \$24,391; accessories revenue climbed to \$35,223 from \$29,778; and service revenue increased to \$35,982 from \$30,074.

The strong performance in April helped the dealership reduce

its year-over-year gap, but it still significantly trails last year. For the first four months of 2013, the dealership earned \$125,713 on total revenues of \$2.18 million. This year, through April, the dealership has earned \$5,540 on total revenues of \$2.16 million. Gross profit for the year is down \$97,034, or 17.5 percent, to \$455,932 from \$552,966.

It will be difficult to make up for the poor performance endured during the first quarter, but there is some reason for optimism, Shenk noted. The dealership's best motorcycle sales months are October through June; PWC, April through August, and ATV, October through March.

"What's gone is gone," Shenk said. "All we can do is keep moving ahead."

#### NEW BUILDING INCREASES EXPENSES

Total expenses were up month-over-month by almost \$15,000, but the biggest chunk of that increase — about \$9,500 — was due to occupancy costs in the new building. Monthly increases in rent, compared to the first three months of 2013, have run about \$8,500 (January), \$8,500 (February), and \$10,500 (March).

"Our basic cost of existence," Shenk noted, "has gone up from \$46,000 to \$55,000 in the new store." That includes all of the costs without the team expenses.

	Мо	nth-Ove	er-Month	Compari	sons and	YTD Tota	ls: April 2	014		
SALES		% of Tot	al Dollars		% of Total Dollars				% of Tota	l Dollars
	Apr-14	Dealer	Top Gun	Apr-13	Dealer	Mar-14	YTD 2013	YTD 2014	PVS	DLR
Units Sold (New & Used)	76			47		47	215	212		
Sales	599,324	81.4	81	362,613	78.2	365,771	1,724,141	1,714,657	8,088	79.4
F&I (net)	29,465	4	3	16,869	3.6	14,726	74,570	77,102	364	3.6
Parts	36,123	4.9	5	24,391	5.3	36,369	121,061	130,469	615	6
Accessories	35,223	4.8	6	29,778	6.4	27,153	124,979	124,325	586	5.8
Service	35,982	4.9	5	30,074	6.5	28,461	142,120	111,646	527	5.2
Total Sales	736,117	100*	100*	463,725	100*	472,480	2,186,871	2,158,199	10,180	100*
Total Cost of Sales	598,851	81.4	80	343,913	74.2	368,628	1,633,905	1,702,267	8,030	78.9
Gross Profit	137,266	18.6	20	119,812	25.8	103,852	552,966	455,932	2,151	21.1
EXPENSES		% of Dept.	Gross Profit		% of Dept Gross Profit				% of Dept (	Gross Profit
	Apr-14	Dealer	Top Gun	Apr-13	Dealer	Mar-14	YTD 2013	YTD 2014	PVS	DLR
Payroll										
Total Sales (5.25/4 Empl)	27,668	36	28	22,534	31.5	20,136	116,319	89,790	424	34.9
Total P&A (2.2/2.5 Empl)	10,123	38.9	45	7,444	38.7	10,232	36,027	37,412	176	41
Total Service (4.5/5 Empl)	20,538	57.1	56	16,999	57	18,507	81,692	65,424	309	58.6
Flooring	6,300	8.2	13	9,869	13.8	7,653	34,436	32,757	155	12.7
		% of Dept.	Gross Profit		% of Dept Gross Profit				% of Dept (	Gross Profit
Admin Payroll	8,383	6.1	6	7,429	6.2	7,972	29,776	32,823	155	7.2
Advertising	3,873	2.8	2	3,085	2.6	5,169	13,396	13,776	65	3
Administration	17,248	12.6	15	16,307	13.6	21,276	72,095	74,666	352	16.4
Rent	22,690	16.5	12	13,076	10.9	23,068	50,783	87,695	414	19.2
Co. insurance	3,242	2.4	1	8,875	7.4	2,448	16,840	17,969	85	3.9
Total Expense	120,065	87.5	82	105,618	88.2	116,461	451,364	452,312	2,134	99.2
Misc. Expense	0	0	2			0		0	0	0
		% of Tot	al Dollars		% of Total Dollars				% of Tota	al Dollars
Additional Income	2,284	0	0	375	0	320	24,111	1,920	9	0.1
Net Profit	19,485	2.6	4	14,569	3.1	-12,290	125,713	5,540	26	0.3
Net Profit + Misc Exp	19,485	2.6	4	14,569	3.1	-12,290	125,713	5,540	26	0.3

Notes: Top Gun = The top performing dealerships in the PowerHouse training group. PVS = Per Vehicle Sold.

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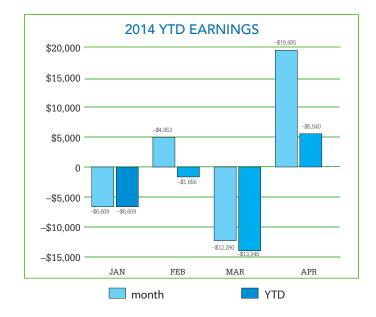


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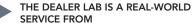
Floor traffic in the new store, as recorded in the guest register, seems to have taken a big jump over April 2013 when the dealership was operating out of its old facility in a poor retail location. Here are the numbers: guests, 153 vs. 115 last April; write-ups, 125 vs. 82, and closes, 95 vs. 62 last April. That's a 33 percent increase in customer traffic.

Shenk notes that the guest register isn't really a true indicator of traffic, but that "it shows the sales team's ability to create relationships."

The dealership has suffered through a lot of employee turnover this year in the very critical first quarter in its new location. In February and March, Shenk said he worked hard to build a new team.

"Turnover is hugely expensive," Shenk said. "But bad apples left in the box are more expensive."

EDITOR'S NOTE: : The Dealer LAB project is a joint effort between Dealernews and PowerHouse Dealer Services, a consulting firm run by former dealer Bill Shenk, detailing his efforts to return a Florida powersports dealership to profitability. The dealership has several lines, including Yamaha (MC, ATV, UTV and PWC), Kawasaki (MC, ATV, UTV, and PWC), Suzuki (MC and ATV), and Polaris (ATV, UTV and Victory).







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A former dealer principal, **Rod Stuckey** is the founder and president of Dealership University and **Powersports Marketing.com**. Have a question about marketing best practices? Contact him via editors@ dealernews.com



Rod Stuckey and the team at Dealership University and Powersports Marketing are bringing a three-part Local Store Marketing educational program to the National Retail Conference presented by Dealernews, at the 2014 Dealer Expo. Visit www.dealerexpo. com for more information on this FREE training program for retailers.

## Promises and bird dog fees

THERE ARE VARIOUS WAYS TO NURTURE REFERRAL BUSINESS

**EVER HEARD OF JOE GIRARD?** He holds the Guinness World Record as the world's greatest salesman, selling 13,001 new cars and trucks during his 15-year retail career.

Joe was a true professional at getting referrals from every customer. If the average person knows 52 people who will show up for his or her wedding or funeral, Joe theorized, then that average person must know at least one other person in the market who needs or wants a new car.

Consider this: If every one

of your customers were to refer one new customer to your dealership, you would double your business. That's pretty powerful. However, high CSI scores typically aren't enough, as it's natural for people to have a reluctance to refer friends. They fear that the person they refer could have a bad experience, making the referrer look bad.

You dealers are skeptical as well, because many of you have never been exposed to hard data that could validate the need for such a system. And of course, many dealers just have never been taught how to create and execute a referral system that

The closing ratio and gross margin for referred customers are significantly higher than ice cold walk-ins. That's because referrals come in the door already having an associated level of trust.

A Motorcycle Industry Coun-

cil owner's survey cited 'the influence of friends and family' as the third most important factor in a decision to buy a specific model, behind test rides and visits to the dealership. While there aren't as many motorcycle buyers as car buyers, riders do tend to hang around other riders more.

Many in the industry still don't realize that only 3 percent of the American population owns a motorcycle. Finding powersports enthusiasts in your market can be like trying to find a needle in a haystack — if you don't know where to look. Most riders have friends and family that ride, so they can be great resources to connect you with targeted prospects.

Since the influence of friends and family ranks so high in the buyer's decision to purchase, it makes sense to look seriously at how you can create a referral culture in your dealership.

Another compelling reason to focus on referrals is that the closing ratio and gross margin are proven to be significantly higher than ice-cold, walk-in visitors. This is because referrals come in the door with an associated level of trust. If my friend trusts this dealer, and I trust my friend, then I will also trust this dealer. And of course, people buy from people they trust.

It's not just the motorcycle and automotive business that benefit from the power of referrals. Billiondollar online shoe and apparel seller Zappos credits word of mouth as its primary form of marketing.

#### HOW TO FOSTER REFERRALS

Of course, like most business best practices, implementation is the hardest part, so the question becomes how? First, it's important to understand that just because you have satisfied customers doesn't mean you're creating a referral culture. Many dealers have an underlying belief that satisfaction equals referrals. In other words, if I do a good job, my customers will send me business. works and gets measurable results.

One of the most time-tested and proven referral strategies is to incorporate incentives such as **bird dog fees**. Your customers need to get over the natural reluctance to refer, and you can help them do that with a little extra enticement, like \$50 cash or an in-store gift card when they refer a friend or family member who buys a vehicle. Money is the most powerful behavioral modification tool on the planet. [Editor's note: Laws governing marketing practices, including bird dog fees, vary by state. Check your local and state regulations before initiating this type of program.]

Other critical elements of your referral system have to do with the **timing** in which you ask for a referral. There's a natural desire to do things for people who do things for you, so the best time to ask for a referral is right after a customer does business with you. This can be done face to face, with email, telephone or even snail mail.

Zappos has taken a slightly different approach to referrals, with a brilliant under-promise and overdeliver process. Here's how it works: The company automatically upgrades all repeat customers to next-day shipping. The customer receives an email confirmation saying their your order will arrive in three to five days, and then they immediately get another email that says, "Woo-hoo! Because you're a valued customer, we've upgraded your shipping to overnight."

The leadership team at Zappos decided long ago to book the extra shipping cost to advertising, and their efforts have in turn created a brilliant word-ofmouth referral strategy.

Whether you're Joe Girard, Zappos or just an ordinary powersports retailer, an effective referral system is a proven winner — and it fits in every-one's budget.

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# **PRODUCTS & SERVICES SHOWCASE**



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## Hot lead and cold fries

SOME PROBLEMS ARE EASIER TO SOLVE THAN OTHERS

#### DEAR GRANDMA AND GRANDPA,

I hope y'all are good up there in Heaven. I've been meaning to ask, can you see into the future? It would be cool if you can, and then maybe you could, like, send me a sign or something if I make a wrong move to send me in the right direction. I make so many decisions every day and a little guidance from above would be swell!

Anyway, things are really busy here in Dallas. Summer is here and we are rocking. Thank God for me, please! Speaking of God, I've never been much of a churchgoer, except a few times with you, Grandma, and a few times with my Ma when I was a little kid. But I pray a lot, does that count? I mean, I think it has to, because I sure do put a lot of faith in my conversations with the Good Lord and I need Him (or Her) in my life, and I think we all do! Life is so dang hard and I always feel like I'm not doing good enough, or working hard enough. But I'm trying.

Recently, on a a busy Sunday afternoon, my beer joint and bike shop were both hopping with customers having a good time. Well, I'm standing at the front counter of **Strokers Dal**-

**Ias**, my bike shop, and some goofy-looking goon comes up and hovers around me for 10 minutes while I'm talking with other customers. Finally, they leave and I turn my attention to this cat. He said he was sorry but he was fixin' to ruin my day. Then he went on a 10-minute rant about how pissed off he was and how I should "clean house" over at my bar & grill. I could see that he was really super mad because his hands were clenched, his face had turned red and was all scrunched up like a squished tomato, and he was practically foaming at the mouth.

It took me a while to figure out what he was incensed about because he was on a rant. Finally, he told me just why he was so dang-spitting mad. It seems he was served cold French fries! Yes sir, you heard me right, all this because he got cold French fries. I asked him if he brought it to the attention of my bartender or cook. NOPE, he just stormed out of the bar and came to find me. So, I calmed him down by telling him how truly sorry I am about the cold fries and that I would fire the bartender, shoot the cook, close my place down and jump off the Magnolia building in downtown Dallas. He seemed satisfied with that.

Did I mention that he was intoxicated?

Hey, Grandpa, down here, we have a problem that's getting bigger. We have had a rash of crazy people going into schools and shooting innocent people, including children. I don't understand how somebody's brain can be so fouled up that they think that the answer to their problems is to go shoot innocent kids. Remember the answers I was asking for earlier? We could use some guidance from above with this problem. It makes all us good hard-working Americans sick that this is happening, and so far we don't have the answer as to how to stop it.

Some people think that it's a gun control problem. Is it? I do believe in the Second Amendment and the right to bear arms, but I would gladly give up my guns if it would solve this problem. But it won't. I would love to be alone with one of those cowardly child killers. Let's see if one of these grown men that kills kids is such a tough guy against another grown man with a gun. I don't think so!

Ya know, I tend to think that this generation

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> of kids has it way too easy. I mean, when we were kids we got our butts beat by our dad if we screwed up bad enough. My dad disciplined my brother and I, and guess what? We are both responsible, disciplined grownups with good families and good careers. Coincidence? I think not. The old saying is "Spare the rod and spoil the child." I believe that too! This current generation seems to have a sense of entitlement. When I was a kid our parents never gave us anything, not an allowance and certainly not a dang car!

> I'll tell you what my parents DID give me: Room, board, an education, family meals every night and lots of love. At school, if we got out of line, we got sent to the dean of boys, and he gave us licks with a 1-inch think wooden paddle! Then when we got home our Dad gave us worse than that! No, we didn't get out of line much. The kids these days, they think if the old man has money, then they have money. I tell my kids that the guy they call Grandpa is not the same guy I called Dad! OK, so it's the same guy, but Grandpa is a whole lot nicer than Dad!

> Anyway, I could go on for hours about this entitled generation, but my ugly head hurts so I'm going to bed now. It's nearly 9 p.m., and my alarm goes off at 3 a.m. I'm tired.

I love y'all and I miss y'all every day! Love, Rickey



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