



Bicycle Retailer

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A N D I N D U S T R Y N E W S

THE INVISIBLE SHOP



Bici Centro is a DIY community bike shop in Santa Barbara, California. Its goal is "to empower our community members with the tools and knowledge to fix their own bikes."

Community bicycle organizations bridge the mass and IBD worlds.

By Ray Keener

Community bicycle organizations (CBOs) — also known as bike co-ops, collectives or community shops — operate in every major cycling market. More than 200 such organizations are in business nationwide. They're mostly 501(c)(3) nonprofits. They take bike donations and sell refurbished bikes and used parts to fund their classes, clinics and other forms of rider support.

And yet, despite the services they provide to individual cyclists, local shops and the cycling community overall, these shops are nearly invisible to the industry.

The best-known database of 6,500 bike shops maintained by Christopher Georger contains less

than 20 percent of these shops, for example. The NBDA list of 3,950 IBDs contains only a handful. Still, these businesses serve a growing segment of the consumer market.

"CBOs fill a unique niche — people who are interested in recycling bikes, people on low incomes, people looking for a stronger mission connection around bicycles. It's in their name, it's about the community more than the bike — about learning, sharing and support," said Alison Hill Graves, who ran the Community Cycling Center in Portland, Oregon, for eight years. Her husband, Jay Graves, owned the Bike Gallery chain, which he sold upon retiring in 2012.

"We feel community bike shops are an important part of the future of the bicycle industry," said Lisa Anderson, sales and service operations team manager for QBP. "Not only are they supporting

Continues on page 20

Continues on page X

Continued from cover

Community

and training at-risk youth and adults, but they also contribute to the bike industry by servicing and selling bikes in traditionally underserved areas. Community bike shops also often provide a means of transportation and independence for people that may not have a have a lot of other options.”

So why do these shops continue to fly under the industry’s radar?

In comparing community bike organizations to traditional IBDs, certain stark differences emerge. BRAIN conducted a survey that drew responses from 41 CBOs (see accompanying chart). Results show CBOs are clearly smaller — a lot smaller. The average sales volume of a CBO is 24 percent that of IBDs surveyed by the National Bicycle Dealers Association.

Leading the way in income are shops like Bikes Not Bombs in Boston (\$1.6 million in annual revenue), Community Cycling Center in Portland (\$1.5 million) and Community Cycles in Boulder, Colorado (\$800,000).

However, because CBOs are focused more on community services than sales, their facilities and staffs are larger than their revenues would indicate. Square footage is 61 percent of regular shops. While staffing is hard to compare, CBOs have veritable armies of volunteers that result in full-time employee numbers near that of typical IBDs.

So what are those staffers doing? According to BRAIN’s survey, which asked about services offered, three areas received more than 90 percent of the



Michaela Owens teaches the six-session Women’s Complete Mechanics series at Community Cycles in Boulder, Colorado.

How CBOs and IBDs compare

Averages based on survey responses	Community bicycle organizations	Traditional specialty bike shops
Annual revenue	\$285,000	\$1,196,000
Years in business	10.3	30
Square footage	3,920	6,460
Staff levels	4 full-time, 3 part-time, 61 volunteers	9.3 full-time

Sources: BRAIN survey of CBOs in February 2016 (41 respondents), NBDA 2015 Specialty Retail Channel Study and Report

overall response rate: classes/clinics (97 percent), selling used parts (95 percent) and selling refurbished used bikes (92 percent).

Bike sales are the major source of

sales revenue throughout the network, with average selling price ranging from \$150 (Cleveland) to \$225 (Chicago) to \$300 (Denver) to a high at Bikes Not Bombs in Boston, where prices start at

\$340.

Unlike IBDs, however, private donations and grants are a major source of funding for CBOs. Community Cycles in Boulder is typical, with 55 percent of revenue from shop sales and 45 percent from a mix of other sources. Community Cycling Center in Portland is 50/50.

More than half of the CBOs offer other services including women’s and youth programs and public use of the shop’s tools and bike stands. They

are also involved in advocacy and host events (see accompanying chart).

While some of these programs and sales categories overlap with IBDs, relations are generally friendly. Bikes are usually priced lower than opening price points in standard IBDs. Several community bike organizations say that they provide a rescue from mass bikes and a bridge to shop bikes.

Plus, many CBOs have programs that are directly beneficial to IBDs.

“Our focus is training youth to become bicycle mechanics in the over 60 shops in the greater Washington area,” said Sterling Stone of Gearin’ Up Bicycles in Washington, D.C.

While CBOs may not have a strong appeal to enthusiasts, many pointed out their draw for those a bit lower on the cycling food chain.

“We work hard at making our shop space a safe, friendly and welcoming space for all who enter,” said Marley Blonsky from The Bikery in Seattle. “We believe that every person who rides a bike has value, regardless of gender, race, income, type of bicycle or mechanical experience.”

Underlying the whole CBO movement is a deep-seated eco motivation — recycling hundreds of thousands of bikes nationwide and keeping them rolling and out of landfills.

While a small percentage of CBOs ship bikes to impoverished countries, some are doing it big, like Paul Fitzgerald of Working Bikes in Chicago.

“We took in 9,100 bike donations last year with lots of help from the bike shops. We ship between 6,000 and 6,500 bikes a year internationally,” he said.

Bikes Not Bombs sends more than 3,000 bikes a year to countries such as Ghana, El Salvador, Guatemala and Nevis/St. Kitts.

Still, given all of these grass-roots programs that directly impact their local communities and needy areas abroad, why aren’t CBOs better known?



Community Cycling Center in Portland, Oregon, does about \$1.5 million in annual revenue. It was founded more than 20 years ago.



Photo by Erica Rotman

Chayanne Almeida worked for two years as a youth instructor in Bikes Not Bombs' youth programs and in January started as an apprentice at the shop, where he will learn about working as a professional mechanic. Bikes Not Bombs' bike shop is an integral part of its business as it provides 47 percent of the funding for its programs.

BRAIN interviewed several industry members about CBOs, and while nearly everyone could name one in their own community, almost no one could think of a CBO in another state.

Several factors that differentiate these shops from traditional IBTs make them less visible to mainstream consumers:

1. Limited sales volume of new equipment.

While 77 percent of the CBOs surveyed sell new parts and accessories (compared with 95 percent for used parts), the volumes are modest. Almost all of their purchases are from distributors like QBP, J&B, BTI and Hawley.

2. No relationships with bike companies.

With very few exceptions (Bikes Not Bombs sells Bianchi, Surly, Linus, Raleigh and Detroit), community bike organizations don't sell new bikes, which means they aren't on any dealer finders. And they don't show up in dealer databases.

3. No high-end gear. If you're a cycling enthusiast, you would never have a reason to seek out a community bike organization for your own needs. Google searches for fancy wheels or bib shorts won't turn up a CBO.

4. Obscure locations. With a few exceptions, these shops are working with relatively small sales volume and tend to be located in out-of-the way, low-rent, industrial locations — not the sorts of places with lots of drive-by traffic.

5. Limited marketing budgets. With exceptions like Community Cycling Center and Bikes Not Bombs, which both have marketing and promotions directors, these shops tend to focus their limited marketing efforts on their current customers and members, not a wider audience.

Leading CBO programs

Programs run by more than half the community bike organizations surveyed

Public shop use	87%
Youth programs	80%
Women's programs	74%
Expert advice	67%
Earn-a-bike	61%
Free bike for volunteer hours	58%
Advocacy	53%
Event promotion	50%

Source: BRAIN survey of CBOs in February 2016 (41 respondents)

6. Focus on advocacy and education over sales.

A typical mission statement (Bikes Not Bombs): "Using the bicycle as a vehicle for social change." As a result, CBOs don't focus on sales training.

Despite these commercial limitations, community bike organizations are a growing element of the cycling market.

"Most CBOs start off very grass-roots and are often run and staffed solely by volunteers," Hill Graves noted. "Some mature out of that phase, some don't. The ones that do recognize their value to the overall movement, get involved in advocacy, and as they mature they learn how to run a business. Making the world a better place is a great motivation, but then you need to provide a fair wage and reasonable work conditions." **BRAIN**

Ray Keener is board president of Community Cycles in Boulder, a position he has held for three years. Keener is also executive director of the Bicycle Product Suppliers Association and a BRAIN contributor.