

# What the Guy Who Thought it All Up Says!!!

## WHEEL FUN RIDES THE WAVE OF BABY BOOMERS' LOVE AFFAIR WITH NOSTALGIA

Q. What prompted you to develop and open Wheel Fun Rentals?

A. As far back as I can remember I had a real love affair with bicycles. By age ten I was finding unwanted bikes and restoring them. This early experience translated into the idea that I could make money in the bicycle world. Later on, I discovered that offering amusement alternatives like surreys and other unique bikes to vacationers could be turned into a fun leisure time business. After vacationing in Italy in the late 1980s, I became interested in the surreys they use to get around. I thought they would be a neat addition to the traditional bike shops here in the U.S. So, in 1987 I began importing surreys from Italy and laid down a network of rental operations in California as well as being a distributor. From that base, I evolved into Wheel Fun Rentals 12 years later.

Q. What is your background?

A. I've hopped around the entrepreneurial map - I was a cook, a used car salesman, followed by 12 years as a successful real estate developer. The 30 days I spent as a used car salesman stands out in my memory because it was the only time I wore a suit and tie to work! When the real estate market softened, I returned to my roots and focused my energies on offering people the fun experiences of my favorite pastime - biking and recreational rental opportunities. For 12 years (through the 1990s), I set up a network of locations for the Italian-made surreys I imported. I discovered that people really liked the chance to pedal around without breaking a sweat. Families on vacation especially liked the surreys and I realized there was a market for other specialty-type bicycles, which led me to dreaming up Wheel Fun Rentals.

Q. What is a "specialty-type bike"?

A. It's recreational rental lingo for the handful of human-powered unique bicycles you see on boardwalks, in parks, in tourist areas, and in resort hotel complexes. The easiest way to define a specialty bike is to describe it. Here's a rundown on what you'd find at Wheel Fun Rentals:

**Slingshot** A three wheeled bike that sits low to the ground on a central pivot and slingshots the rider from side to side while bobbing, weaving, and turning corners. It's a hoot to ride. Recommended for ages 6 to 60.

**Deuce Coupe** This is a two-seater and both people get to pedal. Adults or children can sit and pedal and there's a jump seat in the back to carry kids 6 years and younger. Neat fun. Good fun for ages 2 to 80.

**Quad Sport** A four-wheel ride down the memory lane of Go-carts. Formula One steering lets the single rider turn on a dime. Good for ages 6 to 60.

**The Chopper** A single seater designed for laid back cruising and sightseeing. The handlebars and seat are designed for comfort, just like a motorcycle chopper. Ideal for ages 6 to 60.

**Surreys** Made in Italy, this family four wheeled cycle seats from three to nine adults (up to six get to pedal) plus two children. Rack and pinion steering, drum brakes, and multiple independent chain drive pedaling systems. Great for ages 1 to 90.

Q. What are the hourly rental rates for these specialty bikes?

A. The range is from \$10 an hour for the single seaters to \$35 an hour for the surreys.

Q. How do you plan on growing and expanding the Wheel Fun Rentals franchise?

A. Carefully and selectively. We award franchises based on specific territories. Since our business does best in a specific kind of location, namely amusement-driven markets, we plan to have a limited number of franchises nationwide. We've identified just 225 premier territories throughout the U.S. that meet our criteria. Using our unique Hub and Spoke development model, each territory may support more than one Wheel Fun location. Multiple locations within one territory will mean we are looking at a potential of over 1,000 Wheel Fun Rentals locations as a maximum market penetration.

Q. What is a Hub and Spoke System?

A. It's a simple extension of what drives our business - the wheels of the bikes. The Hub is the bricks and mortar location of the franchise within each territory. It's usually the largest location in terms of square footage and serves as the center of the franchised business within that geographic territory. Once the Hub is open and established, Spoke locations can be developed by the franchisee to take care of additional business. For example, a Hub might be located in the center of a hotel resort complex. Spokes would be more mobile locations (kiosks) and take care of business in neighboring parks or beaches.

Q. What kind of support do you give to your franchisees?

A. We stick with them every step of the way. We bring our market research to bear in finding the best location for them within their territory. Franchisees get help with signage, proper inventory levels, store layout, and installation of their POS system. Wheel Fun rental trainers teach them - and their employees - every inch of the business from how to answer the phone and open the doors in the morning, to when to send a bike in for maintenance. We also help them find the best advertising method for their market. If they have any problems or questions

along the way, we stand ready to help. We really believe that our success depends on our franchisees' success.

Q. What makes you think this concept will be successful?

A. We did a lot of solid market research before we launched Wheel Fun Rentals. What we found was this: the long-term strength for tourism and amusement-driven businesses is strong. Baby Boomers continue to vacation and travel with their families and are always looking for unique and fun kinds of activities that the whole family can enjoy. We also found that our amusement rental businesses in California were in markets that sustained a fair number of economic peaks and valleys. Through it all, every one of our locations grew in profitability. Since we have strategically targeted strong tourist and amusement markets in the U.S. for our future growth, the trends are in our favor for a long lasting profitability.