



channel mastery

Channel Mastery Podcast, Episode #92: Kristin Carpenter Interviews
Nick Martin, founder and CEO of The Pro's Closet

The Pro's Closet Takes Multi-Channel to a Whole New Level

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Kristin: Welcome back, everybody, to another episode of The Channel Mastery Podcast. I am so happy today to announce Nick Martin as my guest, the founder and CEO of The Pro's Closet. Welcome Nick, it's great to have you on the show.

Nick Martin: Thank you for having me, Kristin.

Kristin: Well, you guys obviously have had, you know here we are in June 2019 as we are recording this. You've had quite a brisk year in terms of growth and announcements. We have so much to cover here today, and I know that the audience is going to learn so much from your experience in what you've just conveyed ... I guess divulged to me as your very first job in Pro's Closet. I love that. So on that note, can you start our discussion and our interview today by giving us a great founder's take on how you started The Pro's Closet?

Nick Martin: Yeah, absolutely. The journey started the day after I graduated college. I jumped into my Volvo wagon with my bikes, and knew I wanted to head to Colorado. And I did that, settled in Fruita, Colorado. Never had the intention of starting a business, but was pursuing my passion of chasing my dream of racing my bike professionally. And for the next four years, I did just that. Rode my bike every day, that was my main focus. I was racing for the Trek Volkswagen Team, and lucky enough to have very supporting sponsors, and a great community in the Trek Regional Program. We were getting all this sponsored gear, and I was at the time living in my van, because we were traveling so much I didn't need a home base. And before I knew it, I was ... you can only live for so long on a mountain biker's salary, which is zero.

Nick Martin: So I was selling everything I owned. I was a minimalist, and I didn't have much. But after four years, I survived by selling things I had around me. And as you get sponsored gear, and at the end of the season, the sponsors change, I was selling my extra gear to supplement my passion. And before I knew it, other teammates were asking me to sell their things, other team managers, other mechanics. And I went from a van to a condo very quickly. That was really a storage unit. And started making a living selling other people's excess product.

Kristin: So that is a perfect name, number one.

Nick Martin: Yeah, that's how it started.

Kristin: And I love that you are living the dream in a van, right? So many of the audience in our passion industries can relate with that. So it's awesome that you have that authentic founder's perspective. I bet there's days you wake up where you're just sort of feel like, like you're maybe playing a role in a movie that you're watching, as you've seen this crazy growth happen.

Nick Martin: Yeah, it's such a privilege. Just very thankful that these opportunities are unfolding as they are. And I look back on every stage of the business with a very positive mindset. And van being the origin story, I look forward to someday going back to the van.

Kristin: I bet you do. A lot of my clients are in that Sprinter van phase, and I'm like, "Oh, maybe when they're done with it, they can sell me their first iteration of that Sprinter van in five years."

Nick Martin: I know. Yeah, [crosstalk 00:03:40]-

Kristin: We'll get there someday.

Nick Martin: ... I know. My van was a '62 Volkswagen bus, so no one [inaudible 00:03:47]. It was a time capsule.

Kristin: That's awesome. Wow, great to know. That means you've got style points as well, because that ... it takes a village to live out of one of those things. I know that for first person experience myself.

Kristin: Cool, well you just touched on something that I wanted to ask you. So why don't we start by talking about some of the pivotal growth moments in The Pro's Closet history.

Nick Martin: Oh, boy. Man, there was one, I have a frame hanging in my office. It's a Colnago Futura. Futura is an artist. If you remember Lance in the Tour de France, he had those custom-painted, custom-decaled time trial bikes by this artist. And we had purchased ... this was a pivotal moment, because we were bootstrapped this whole time. We bought these six overstock bikes, these frames that didn't say what they were, they just said, custom-painted Colnago frames from an overstock outlet. Showed up as these polka dot Colnago frames, and we didn't know what they were. We put one on eBay. Seven days later ... we bought it for 600, it ended at 14,000.

Kristin: Oh, my gosh. That's amazing.

Nick Martin: Yeah. And it was a piece of art. There was only 30-some, we actually sold one to Robin Williams. And we had these six bikes, and these six frames, and that capital from selling ... we sold five of them, and I still have one hanging in my

office. It's kind of the, break in case of emergency memento. If shit hits the fan, we have this \$14,000 frame hanging on my wall.

Kristin: That is awesome.

Nick Martin: Sorry to use the language, too.

Kristin: That's okay. We might have to have a little bit of a bleep over that. I've had other guests that, we forget to do that, so don't worry about it. That's not as bad as some of the other guests we've had. Totally fine.

Kristin: so, that's great. so that's one of the first pivotal moments, because as you said, that was obviously something that you didn't have the cashflow for. But it ended up being a very interesting discovery.

Nick Martin: Yeah ... we were the definition of bootstrapped. At the beginning, I was using the library's computer. I got kicked out of the library for using the tape gun and shipping packages out of the library. It was as bootstrapped as you can get. But we raised capital through that Colnago frame opportunity, that was one memento. We hired our first couple employees. We're in our sixth warehouse I think today, so it's ... we're like just outgrowing, and outgrowing, and outgrowing every space. And then in the last two and a half years, we raised capital for the first time. We have this vision that what we were doing could be much bigger. And it was really succeeding in the Boulder community. But we saw the opportunity to take that to a national, and eventually worldwide scale.

Nick Martin: So we raised capital, and I started just building an all-star team around me that helped teach me how to grow the business, and capture this opportunity. Because I saw that we were right and well-positioned to go after it.

Kristin: And I guess, let's talk a little bit about that. So when you started, and as you were going into your capital raising efforts, what was the business model at that time? And then as you've surrounded yourself with these A-players, how has that evolved?

Nick Martin: Yeah. We were a consignment eBay store early on. Very little risk to growing a business with that model, which is, we sold everything from chairs, to tents, to whatever came through the door, we were selling. So we were just a consignment outlet. And then we grew to be the largest bike shop on eBay. And then we started to narrow our focus on bike-specific product. And what we learned there was that there was a lot of opportunity to legitimize secondhand market. So we evolved from there.

Kristin: And obviously I think that has come with the platform, and the capability to build digital platforms and digital communities. and also demographically, right? Do you want to talk a little bit about who you serve through The Pro's Closet, and if that has also evolved?

Nick Martin: Absolutely. We're no longer a consignment shop. Today, we buy our inventory outright, so we're in control of the inventory and what we sell when ... which has also helped our customers who sell the bikes directly get cash faster. We service the individual customer that has a bike to sell. We serve the bike dealer network by enabling trade-ups across the bike industry. And we serve the manufacturers as well, so you can trade up directly through white label portals on manufacturer websites. And those are the three main ones. And we also serve the manufacturers through managing demo inventory, overstock. And those are the main channels that we're acquiring in the product. And then we sell really to anybody who's passionate about bikes.

Kristin: And that is, obviously, it's in the field that I'm in, in obviously brand communications and marketing. Sometimes that can be a little bit of a, you know like, you're going too wide by saying that. But I think in the case of this industry, when you overlay like overstock and just access to product the way that you've made, you've just created a portal, I think, that has a very ... it feels very inclusive. Obviously, even recently, as we're recording this, I've seen a couple of articles come out on how sometimes IBD's and independent bicycle dealers is what that stands for, for the audience who is not aware of that. We serve a lot of different markets on this podcast, specialty markets.

Kristin: But IBD's might not be the most inclusive sometimes. And I know that everybody's working on that. But you, just the presence you have online, and it's so easy. I've sold products to you, and I've obviously shopped your site a lot. I know a lot of other people have to. It does actually feel like you have the elasticity in your brand to serve a wide group of cyclists.

Nick Martin: Yes, that is definitely one of our differentiators, is that we have the broadest selection of inventory, whether you're into the vintage category, or ... we're not just focused on one brand. We sell over 50 brands at any given time. Or the most modern, tech [tri bike 00:10:18] that's out there. We have everything and in-between. And we're filtering through and providing best quality inventory. So our business is really built on trust.

Kristin: And you've put ... I don't know how recent this is, Nick, if you could give us some insight into that 141-point quality check that you have. I think that might be a good ... this might be a good time to bring that up as well. Because you are providing a very consistent access to inventory, like not only is it easy to go through your system online digitally, but it does really seem like you don't have lemons, if you will. You really make sure that you ship out things that you would want to buy personally, right?

Nick Martin: Absolutely. The quality and integrity in our products, especially because we're in the pre-owned space. So we're de-risking that, providing the customer service and expertise you'd expect from your local bike shop, only an online, preowned space. So, the inspection process is the core of our business, as we get the product built for sales. There's multi-points of inspection. When you get a bike from us, you pull it out of the box, and you're like, "I can't believe this bike is used." By the time you get it, its cables have been changed, new tires, all the contact points are refurbished and up to par. And nothing that is outside of our

quality parameters goes out the door unless it meets our strict quality standards.

Nick Martin: So, that's the core of the business. And we know that if we sell a quality product, we're invested in the long-term value of the customer. So, the bike industry is so driven off of word-of-mouth, we've been able to grow for the last 14 years without marketing. So we've been, if someone shows up to their local group ride, they're like, check out my, the "used" in quotation marks, new bike.

Kristin: That's awesome. So, it sounds like, is it true to say that I guess 50% of your business is buying and selling overstock today?

Nick Martin: Yeah, there's a lot of manufacturer opportunity that we're ... we're building a lot of manufacturer relationships that have given us access to some really quality inventory. The long-term vision is really being able to buy a bike from us, use it for a period of time, and then trade it back to us, and create that circular economy, where you're able to just buy and sell, buy and sell, and keep getting the next best product. You don't have to worry about selling your bikes, that's one of the hardest parts of buying a new bike.

Kristin: It is. And that, to me, sounds like one of the key points of differentiation between The Pro's Closet business model, and a discount, e-commerce bike site, for example. Because you're really looking at that lifetime customer value.

Nick Martin: Totally. Yeah, we don't like to say that we are discount. We are focused on value. And I think the quality of products, the price, or the customer service that we provide.

Kristin: And I have to say as a customer, you guys do feel like a ... you have a premium brand feel, and I do see that you have a presence at a lot of really important events, which I also think is great. Is that another like, your event presence, is that something else that you're bringing back as a value-add to some of your brand partnerships?

Nick Martin: Yeah, we're getting the word out for the first time. We just hired Matt Heitmann from Germany. He was the CMO of Canyon. And he's bringing his expertise to the table. We just hired Spencer Powlison to bring, be the voice of the content and the brand who ... he came from VeloNews. And we're building this team of all-stars to start telling the story, because we're the largest bike shop you haven't heard of. So, events are a big part. Will be ads running in the [inaudible] as that comes down in July, June and July as well.

Kristin: I have a question. So number one, thank you for letting us know where Spencer went, because we've all been wondering. And I have to say, he passed me in Leadville last summer on his 1982 Stumpjumper. Did he buy that from The Pro's Closet?

Nick Martin: No, man. He's poor. He walks the talk. I-

Kristin: He sure does.

Nick Martin: ... That was quite the feat. But he did that, I was like, "Oh, why didn't I think of that, that was a great idea."

Kristin: It was. But I'll tell you, he blew by me going up Columbine, and I was like, "Uhh." Like, how humbling. But, it's Spencer. Like he's a motor, you know.

Nick Martin: He is, he is.

Kristin: That's so great that he landed there, like congratulations. He is a fantastic hire.

Nick Martin: Thank you. Yeah, we feel very lucky.

Kristin: Cool. And I can't wait to see, because that to me indicates you're going to be creating journalism-quality publishing as a brand. So maybe talk a little bit about that. I know you can't open the kimono too much, but I have to ask.

Nick Martin: Oh, totally. Well becoming, not only ... we're not just a bike shop, we're becoming a content source as well ... well as a data company too. And there's so many stories for us to tell. And we're in this really exciting position, because we're not a Specialized dealer, we're not a Trek dealer, we're not a Giant dealer. We're servicing all brands, all makes, all models, all years. So we get to tell these stories, and be coming from our own voice. We're not invested in one particular angle. So that gives us a lot of flexibility, creativity, and authenticity. Because we're not trying to sell something. We're trying to educate our customers, and bringing them up to speed on what their options are. Because it's a very complex industry, and it's confusing. So we get to simplify it, and be [inaudible] in the process.

Kristin: That is actually a very interesting thing I want to ask you about, because in doing two years of Channel Mastery, and covering the bike community in many of the shows, one of the things that has come up through different interviews that I've done around some [SaaS] solution providers specifically, is how they're basically trying to appeal to the consumer who doesn't want to be cordoned off into having access to one brand in a physical retail store, or five or six, et cetera. So whether it's one brand with product in every category, or whether it's a house of brands. Even in REI, right? The actually want to be able to do what they do online when they're researching, and that is discover brands that appeal to them, and be able to find those brands, and have them seamlessly delivered to them when they're ready to buy.

Kristin: And that really feels, to me, like you're actually engineering The Pro's Closet to appeal to this omni-channel consumer of today, which is exactly what this podcast is about. And I love that you're bringing up what you're talking about here, because you're obviously talking about the fulfillment and getting them the product in a seamless way, that doesn't have the friction. And yes, these are overused clichés, but that's what you're providing. But then you're also educating them now on the front side of that. And that, to me, is almost like,

they're in an ecosystem in The Pro's Closet where they don't have to jump around so much online.

Nick Martin: Oh yeah, totally. It's ongoing value of what we're providing, and it goes beyond just the sale. There's a conversation that unfolds, there's experiences that are unfolding, and it gives them the flexibility to trade in and trade up seamlessly whenever they want to shift gears, and jump on a different type of bike, or operate the next greatest thing.

Kristin: Well and let's also talk about the reach that you're building. I know that you guys have a, I think a couple different partnership opportunities that you've developed with REI. And obviously we've seen REI in the recent past develop their resale, or re-commerce component. And obviously, they're doing a lot of testing and learning around that. But can you talk about why you chose REI as a partner?

Nick Martin: Yeah. Man, REI has been one of ... it's like the blue check mark next to your name on Instagram when you're verified authentic. Having a partner like REI come into our business and just dive deep into it with us, and be able to bounce around ideas, and be creative, and think about the big picture. But then verify and authenticate the process as a legit process. Because it's new, it's not something that a lot of manufacturers have seen before. So REI has just opened the door to all the other manufacturer relationships that have been flooding towards us lately.

Nick Martin: And what I love about REI is their focus on sustainability, because that's really where this business started from. I'm a different type of consumer, where I'd rather buy used, I'd rather extend the life cycle as it already exists, repair them. That aligns with REI's vision as well, so that you can trade up you bike to REI, and use that credit to anything in their store. So if you're wanting to trade out a mountain bike now, or you want to jump into rock climbing, or skiing, or whatever, you're able to do that seamlessly. And their vision aligns with our vision, in terms of the circular economy, and extending the life cycle of goods that already exist.

Kristin: That's fantastic. And I know that they are such a force in all of the passion industries that we serve in the outdoor recreation industries, that they actually are setting precedent with a lot of brands, and getting brands to up-level their environmental impact, and their footprint when they're manufacturing, whatnot. So it's awesome that you're seeing them as that type of a partner in this regard.

Nick Martin: Yeah, we're very proud to be aligned with REI. They're helping us step outside of our comfort zone, and think bigger. And it's great to have these opportunities.

Kristin: And what are some of the specific things that you're launching with them, or have launched with them?

Nick Martin: We're currently doing a test in the Colorado market, specifically in Denver. So I think we have six of the REI stores that are taking in trade-ins. And then facilitating the process, and allowing their customers to trade in for any inventory in REI.

Kristin: Okay. And when did this start?

Nick Martin: We're about two months in. So we're still pretty new in the process.

Kristin: And one of the questions that I had for you too, and I think it would tie in with REI, but I think it's actually more specific to Pro's Closet. But it's the role of data. Because it sounds like you obviously are setting up a very tech-savvy, personalized approach, through the entire process that you're offering people. Can you talk a little bit about how that has come into your purview at The Pro's Closet, and how it's evolving, the role of data.

Nick Martin: Yes. And we could have a whole podcast just on this subject.

Kristin: I bet.

Nick Martin: The data is the future. And this is part of bringing our team of investors to the table. We had a investment from the Foundry Group. And they're a very tech-oriented investment VC group. And they really led with the idea of, build this foundation from the ground up that's scalable, and data is power, and be collecting data at every point in the process, and being smarter every day. So since we're becoming a valuation source for the industry, and legitimizing what products are worth in the secondhand market, because we're actually selling those products, so we know exactly what the value is based off of what it's converting. So there's a valuation piece, and then we're bringing all the geometries from all these different models, makes, years, into a centralized database, so that if you know that this bike fits you really well, we'll be able to show you all the other bikes that can fit you.

Nick Martin: Because fit is a complicated thing when buying online. We're building the largest catalog of bike parts, you know from all, from vintage [Campi] to the most modern Di2 components. And then overlaying compatibility with that, so when we have to replace a part that is four or five years old, and you go to a bike shop today, you only have access to the QBP Catalog, or whatever it is in the last couple model years. But now you'll have access to a trusted part from all model years, and you'll have the confidence that that part is compatible with the part that you're replacing.

Nick Martin: So those are just some of the pieces of the puzzle that we're gathering data. And we also know, if you submit a bike to us, which we get over 800 submissions from individuals per week, we know what bike you currently have. We know what size you have. And we also will know what bike, what brand, what model you're looking to buy, based on search. So we're able to understand what the customer is looking for before they actually make a purchase.

Kristin: Okay, that's absolutely like, I just almost feel like I just saw a warp speed moment here. That truly is going to further the process of researching, and buying, and owning, and trading up bikes, going forward. And you guys are pioneering that. Will there be a retailer-specific portal for some of that, the same way there is with a QBP, and some of the other P&A [00:23:42] players?

Nick Martin: Yeah, I hope so. That's part of the vision.

Kristin: That is so cool. And so obviously you're still very much in building phase. And you've talked about some of the key hires. Where would you say you are in terms of like, a building phase between now and the end of 2019? What are some of the goals that you're hoping to accomplish? Because it sounds like you've got a huge vision.

Nick Martin: Yeah. One of the biggest lessons I've learned so far in my small, my short experience here is like, beware of the shiny objects. We have stuffed squirrels in our conference room that we throw at each other as soon as we get off-topic. So we're very narrowly focused. A couple things, right, because there's so much opportunity right now in this space, that we're just plugging away and picking off the next best thing, and building a foundation that we can continue to build on, so that we're doing the right thing, the most important thing next. And right now, we're focused on operations and the processes, and standardization of processes. So that everyone as, we're moving very fast, we're growing over 120% year over year.

Nick Martin: As we're moving this fast, and growing a team, today we're at about 68 employees, we're hiring for like 12 positions right now. As we're bringing all these new people into the fold, making sure that everyone has very clear guidelines of how to do things, we're all doing things the same way. And then when we make improvements, we can standardize it across the whole company, and be very strategic there. So we've had no problem acquiring the inventory. We've had no problem converting and selling the inventory. It's just the processing, because we put so much into the certification, so much into the remanufacturing of these bikes, to get a quality product out that's a scale that we're really focused on. Efficiencies and optimization.

Kristin: That totally makes sense. And that ties in really perfectly to the next question that I have. So obviously we've talked about the evolving role of data, and how you're using that to tailor and personalize, not only your customers' experience, but your growth path going forward. But I think you've definitely been following the same stories and the trends that we have hear at Channel Mastery. And there is an art and a science to these specialty markets, right? And as one of your customers, I can say it felt really good what that I was able to call, even on a weekend, and talk to someone about a question on something that I wanted to buy.

Kristin: And we've seen over and over again, like I don't know if it's because we were indoctrinated into this on the B2B side with a lot of our clients. But Amazon obviously being like huge reach, big marketplace, very important player, but

kind of ... you can't get a hold of anyone there to save your life. But you guys have a very easy to access human, right there on the other line. Or on a chat. And I think that that's actually really important, and I think that as you're serving these specialty markets, and this specialty-minded consumer, that's going to be something that's going to be equally important to evolving grow, right along with your data.

Nick Martin: Yes. That gets me so excited. Because we're able to provide ... like, competitive cyclist, back when she did the great job with the deer heads, and you have a person you can call, and we've taken a page out of that book and applied it to the pre-owned space. That's one of the biggest parts of our company that's growing and we're hiring for right now is the customer experience team. And you actually, you can call up Maggie [00:27:15], you can call up Charlie, and you have a person that you can talk to. You build a relationship with that person. And you can ask the questions, and we'll give you the honest feedback. And we're humble about what we recommend. We all have our favorites, and things that we like to ride, but we have information, flexibility in selection to provide a wider conversation.

Nick Martin: We're opening that up seven days a week. The internet never sleeps, so we have ... we feel as that is the biggest opportunity when we have that customer on the phone, and we can engage with them directly. We're applying a lot of new school technology, and then some old school handshakes, and face-to-face conversations, and customer service. That allows our business to grow.

Kristin: Well and I have to say, consumers still want to have that validation, or that permission, that they may have historically gotten, and maybe still do, from a brick and mortar retailer in this particular market. But then obviously forums are important, word of mouth. And as you're building your team, I'm sure you're going to be ... obviously, we talked about your content approach some. But you're going to be looking to really personalize it through the people on the front lines there, with your CS, I would imagine.

Nick Martin: Yes. 100%.

Kristin: And then as you're looking to develop your IBD relationships, what are some of the key attributes that you look for? Is it almost like a Pro's Closet certified IBD model or, you know what I mean? It sounds to me like you have a very specific way you're going to want to roll an experience to a consumer.

Nick Martin: Yes. We're looking, in IBD partners, ones that work really well for us are the ones that are also committed to the customer. The ones that are experts. That are providing the expertise to both us and the customer, so we can continue to grow our process, and be open to feedback. And we acknowledge that our process isn't perfect today, and we want to have our partners help us evolve that process. So having a dialogue with our IBD's is really important, so that if something isn't working well, then we can take it to our team and come back with a better product. At this stage of the company, those partnerships are what are feeding the evolution of our processes and our services.

Kristin: Yeah, because they're like the physical manifestation if you will of The Pro's Closet within a community, it sounds like.

Nick Martin: Yeah, the trade-in concepts are already understood and adapted in the car industry. And we're taking that and applying it to very high average sale price [complexed] product, that is worth more than most people's cars. There's an opportunity to do that, which is already really a key cog in the auto buying and selling process.

Kristin: Right. That makes sense. And as we talk about a lot in the podcast, the consumer today is constantly evolving. And being able to stay close to them, and understand how they're being trained every day in terms of having just the broadest of selection, the best price, and the most friction-free experience, because that's how Amazon has trained us, right? And they continue to. And it sounds like you're trying to take all three of those facets, but also make a human brand happen. Which I think is really kind of the north star today.

Nick Martin: Yeah. Thank you. It's experience, it's value, it's solving needs. It's the long-term customer, like on value, and it's building these deep relationships. And then in the process making the industry stronger, because we're helping retailers not discount their product, and the customer gets a value by trading in their old bike, which is one of the hardest parts of buying a new bike, and getting that [inaudible] discount, by leveraging what they already have.

Kristin: Right. So how are you guys growing your audience today? Because it sounds to me like that's not only important for you and the inventory that you're amassing, but it's also important in terms of your power, if you will. Probably not the right word, but the relationship you hold with the brands. I would imagine your community that you're building for The Pro's Closet is a huge part of that value equation to the brands.

Nick Martin: Yes. Yes, totally. We're an extension of those brands in the preowned space, whether it's through demo, or we're selling a Specialized ... the person that's buying that bike that could be a first time Specialized customer, even though it's preowned. So we're building through ... we're building a marketing team for the first time. 14 years young, and advertising for the first time.

Kristin: I love that.

Nick Martin: Yeah, I don't like to tell people to buy things. So it never felt comfortable to advertise or build a marketing team. So this is, opportunity to tell our story. We're building up the customer experience team, they're a voice for us. And then very selectively picking our industry partners, the ones that are going to help provide feedback, but also be a voice to their customers about the trade-in process.

Kristin: That's great. You know, obviously, I just think again like the channels are changing so much, and I know you probably may not have a complete plan set

yet, but I would imagine that video content is probably going to be a pretty important part of this.

Nick Martin: Yeah, we have ... we recently hired a videographer. So right now you can go on our website, for example the first video we rolled out was, what it's like to work at The Pro's Closet, because our biggest bottleneck today is hiring fast enough. So we give you a glimpse inside what it's like to work here, and that was the first video we put out. But that is definitely where people, and how people are engaging with content today.

Kristin: Exactly. And that ... I understand REI is revisiting their, the way that they're publishing and providing content, and it just is really amazing to see that you're potentially going to be evolving with them, going through that process. Because they have an award-winning team. And they're already basically recasting what they're doing, and I love that. They never, ever sit idle.

Nick Martin: Totally. Things in motion stay in motion.

Kristin: Right. So, and one of the other things, because I consider you an expert in, I guess, re-commerce. I mean, obviously there's many ways ... I don't want to pigeonhole you, but you're a great expert in terms of your, what you're handling right now at The Pro's Closet, even though it's evolving, and the name that you're building. But what's your take on like Last Mile Solutions, and how you guys would factor into that trend, if you will. Because obviously you have these IBD partnerships. Are you using any kind of mobile delivery? How are you appealing that like, I've researched everything online, and now I really want to go buy this. And from what I understand from interviewing other people on the bicycle retailer-produced Channel Mastery episodes, is there still is, there's maybe a few holes in transparency to inventory.

Kristin: Whether it's a brand site, or whether it's an IBD, and I imagine because you're kind of a closed loop that you don't have that issue, and Last Mile might be different for you. But what are some of the things you're managing around consumer expectation, with what you offer in that particular realm?

Nick Martin: Well the Last Mile is really is really important to us, because a bike is a complex machine. And they're getting more complex. So making it extremely simple to get that bike out of the box, and out on a ride, we have a box that's called the Ride Ready box. And every bike we ship, you can build it up in three minutes or less. Comes with the torque tool. So we've been able to solve for that Last Mile by simplifying the packaging process, so the bike is coming prebuilt. And all they have to do is put the front wheel on, and turn the handlebars.

Kristin: That's awesome. And when did you implement that?

Nick Martin: We're about, I think four months, three months in. It aligned with our CPO certification.

Kristin: And what is CPO, I'm sorry?

Nick Martin: Certified Pre-Owned.

Kristin: Oh, yeah. Okay, sorry. Just [inaudible 00:35:28].

Nick Martin: Totally. Yeah.

Kristin: I've been dropping acronyms here too. But I get feedback that I need to explain what they are, so forgive me.

Nick Martin: No problem. I'm surrounded by them here too. I'm always asked those questions first.

Kristin: And I didn't say BOPUS, everybody, for the record, Buy Online Pick Up in Store. I'm trying not to use that. Okay, awesome. So that's something that you've actually instigated just this season. And what's some of the feedback that you're getting on that?

Nick Martin: Oh, it's great. No news is good news. It's just super-simple to get a bike out of the box. And there's other people in the industry doing this too, we're not alone. But it's ... they're complicated. And you get excited about new bike day, you get the bike you want, pull it out, you don't want to have to piece it all together or wait two days to have it built up. You want to get on it right away.

Kristin: Right. And I would imagine there could be some user-generated content video opportunities with unboxing on your horizon as well.

Nick Martin: You got it.

Kristin: That will be really fun. Okay, cool. Well we're getting ... I want to make sure I respect your time. I just have a couple more questions here. I guess one of the things I'm curious about is, what are some of the focal channels that you might be expanding into? I mean, we've obviously talked a little bit about video. Are you looking at print catalog, or any kind of branded storefront presence, or anything like that?

Nick Martin: Well you can come into our store here in Boulder and shop. We do have a [inaudible] house that you can shop in. But it's stripped down, there's a computer, and you shop with that. But really, our website, we're only a year old on the website. Before that we were 100% on eBay. And today, we've taken almost all of our business and put it on our own website. We're not selling on Amazon, that isn't a channel we're exploring. The white labeled portals, which you'll start seeing on more manufacturer's websites, is another channel. And then we're doing some affiliate traffic as well.

Kristin: And when will you see these portals on the brands?

Nick Martin: We've already rolled a couple out. You can see it today on [Zip's] website. All our dealers have access to it through [QVP's] website. And you also start to see

it more on REI's website. And then we'll have a handful of other brands that we'll be rolling it our shortly.

Kristin: I have to say, Nick, it's so cool that you have completely obliterated that siloed approach, where like, "Okay, we can't sell in this store, because they already carry these brands, and I'm here in QVP, you're working with the brands, you're working with the IBD's." I mean, you guys have built a platform that can be plugged into just about every point of entry, if not all of them.

Nick Martin: Thank you. It feels good to be Switzerland, you know.

Kristin: That's exactly what I was going to say. You're kind of Switzerland, when you're looking at all of this. That's amazing. And I think it's great for the consumer, because ultimately, we don't want to go to a store and be told, "Well, these are the three brands that you have a choice to buy." Right?

Nick Martin: Totally.

Kristin: So, it sounds like you're helping the IBD's in different points of entry, be able to offer a lot more than the brands that they're flooring.

Nick Martin: Correct. Yeah, selection and value.

Kristin: And mitigating the risk in that.

Nick Martin: Exactly.

Kristin: That's really cool. Well I have to say, this is a visionary approach, which explains why you're getting the talent that you are. You're really pulling in some A-players. And we cannot wait to see what you guys have next on the horizon. And I look forward to having you back on the podcast here. Is there anything that I might have missed from a news standpoint that you'd like to share with the awesome Channel Mastery and bicycle retailer audiences?

Nick Martin: Oh, man. No, I just am very thankful for this opportunity. Thank you, Kristin, for giving me the time to tell our story. And we're just going to keep taking it one step at a time, and we hope to be a normal part of the buying and selling process for our industry, and help make everybody in the industry stronger.

Kristin: That's awesome thank you so much, Nick. We can't wait to see where you take this next.

Nick Martin: Thank you very much.

Nick Martin: Cool!