Cycle Gear – Finds a new gear with their Traffic & Conversion Program

What initially started off as a purely a traffic counting venture "blossomed into much more" after meeting HeadCount, says **Rodger O'Keefe, Vice-President of Store Operations** for Cycle Gear, a specialty retailer of motorcycle parts and apparel with 140 stores located in 38 states.

Realizing he could get the great traffic counting tool he needed as well as great analytics and coaching to help his team understand the data, "was a huge relief," he says.

Cycle Gear was looking to replace their old motion sensor traffic counting system which O'Keefe describes as "archaic" and very easy to trigger accidentally or even "game". He said he knew there had to be a better system out there, because he'd seen other retailers using them. But he was also looking for a partner who could help him accurately gauge the strengths and opportunities he had at each individual store level from a traffic and conversion perspective.

Impressive initial insights led to better business results

It started with HeadCount undertaking an analysis to help Cycle Gear extract usable insights from their existing 'click' data.

"By seeing the insights that HeadCount could extract, just through sheer 'blind analysis' of our numbers was really impressive. I was blown away by the in-depth analysis and that really intrigued me. I wondered how much further we could go with HeadCount as our partner," says O'Keefe. "I still can't believe how amazing and on-point the analysis was without HeadCount even knowing what we do or how we do it. It was mind-blowing – they had everyone 'at hello' at that point," he says.

Roger O'Keefe
VP Store Operations

Just five months after the official launch of HeadCount's traffic and conversion services, Cycle Gear was already seeing great comp results and by the end of the year the company had their best Black Friday ever.

"Since our launch with HeadCount in March we've been on a very good run," says O'Keefe. "We've definitely beat last year every single month which is fantastic and I know that is not just a coincidence. My wage budget has been well in line and yet I'm getting better results," he says.

"When I speak to my Board of Directors and they ask 'so how's traffic doing' I can now tell them that I believe we are doing the right thing. Our results show it, "says O'Keefe. Since starting the HeadCount program, he says Cycle Gear has improved their revenue and, more importantly, their bottom line.

"It's an investment I'd do 10 out of 10 times for sure. After just a few short months, we were already seeing it as a great investment, yet we are still in the infancy stage of understanding the true potential of HeadCount and are still growing with the program," says O'Keefe.

Store Traffic & Productivity Analysis
Deep Dive – Executive Results Review

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Beyond the measurable quantitative results, O'Keefe says where he really see the impact is the sustainable changes that will provide persistent improvement as the program continues. Specifically, his team now understand how they impact conversion – or what Cycle Gear calls 'close percentage'.

The traffic conversation is gone

Celina DeSanders, Store Manager from Redding, California has seen the potential of the program in the field. "Using the program is a wonderful experience. It works if you use it," she says. "If you put the little bit of time into it you will get the reward at the end. It's an awesome program."

"When I'm visiting stores, it's no longer the mythical creature out there," says O'Keefe. The traffic conversation is gone. It's refreshing. Now the team has very poignant conversations about how they can fix conversion. The key is that the team is now talking about conversion, not traffic. They are talking about what they can control not what they can't. I am really excited to continue the growth we are seeing now," he says.

Celina DeSander
Store Manager, Redding CA

Finding revenue opportunities, hour by hour

Morgan Fisher, District Manager in Southern California has been with Cycle Gear for 10 years and has experience with the previous 'click data' that he recalls was inconsistent and not available at an hourly level. For Fisher, it is the hourly data available through the new HeadCount system that has made all the difference, because it provides the actual information needed to change perception and ultimately behavior at store level.

Fisher says his store teams thought their busiest periods were always during the second half of the day. But now they see it's definitely more of a mix throughout the week and they have been able to adjust their schedules and drive better results. Before, Fisher's managers were staffing when they perceived it to be busy not necessarily when it was, "so we were missing out on opportunities," he says.

Morgan Fisher
District Manager, California

"Being able to accurately measure how well we are increasing conversion down to the hour, gives me the confidence to tell my team that they really are doing everything in their controllable four walls and helps me encourage them not to get stuck in a routine," says Fisher.

Scooby Roach
District Manager, Florida

Scooby Roach, a District Manager from Florida agrees with Fisher. "We thought we had everything we needed, but until HeadCount, we didn't know what was truly possible," she says.

Despite being with Cycle Gear for 12 years, Roach says it is only now that they can actually see where they were losing money based on what is happening in each store at every hour.

Having the HeadCount reports in her "daily arsenal" and having daily conversations with teams that are struggling has led to significant improvements since the program started.

The field manager engagement with the program is critical to O'Keefe, because they understand that even if traffic is dwindling, it doesn't mean there are not opportunities at each store location.

"Retail is in the moment. You can't go re-teach something a week later if you realize something was bad."

Data drives behavior, not just measurement

Fisher uses this 'in the moment' actual data to actively work with his team instead of only having daily-level data as a measurement at the end of the day. "I was super excited when I was told about this program coming on board because if you don't truly know what is happening in your store every hour you can chase your tail in a million directions. But having the real information makes for much more efficient time spent to drive results as needed and to find opportunities," says Fisher.

Similarly in Florida, Cycle Gear's 'close percentage' or 'conversion' is now part of the daily conversation. "Before it was something that our store support and executives wanted us to record at the end of the day," says Roach. "Now we are actively using it as a part of our business in every aspect of our work."

O'Keefe says that is exactly how he wanted field leaders to use the information. "I want the team to have as much data as possible for their 'four walls'. It's not about finger-wagging, it's about how we can make it better," he says.

As an example, O'Keefe was recently in two stores that are very similar – they opened within a couple weeks of each other, have similar average daily traffic, and similar customer demographics – but there was about a 900 basis point difference in their conversion rates.

"It was interesting to be able to show the manager that the traffic was there to do the business – so instead of worrying about that, we could talk about how the conversion could be increased just a percentage at a time," he says. By the end of the day, after working through the HeadCount reports, she realized she was missing the boat because of her staffing level.

"That's the answer right there, that's the golden ticket," says O'Keefe. "I told her 'that's what you control'. It was refreshing how she worked herself to the answer by the end of the day."
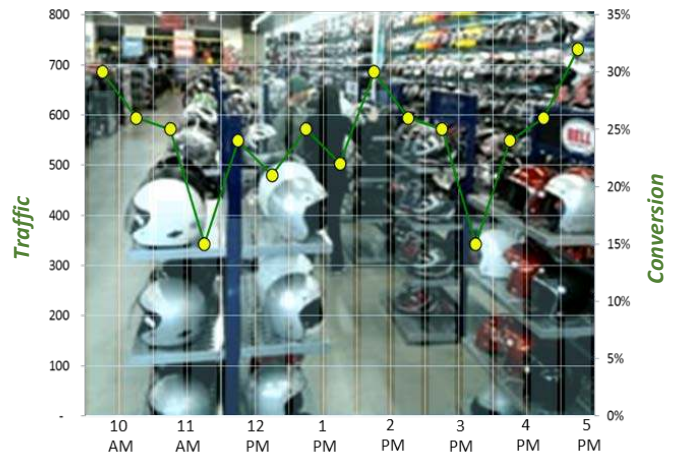
Making it simple, makes a difference

O'Keefe stresses those insights are possible because the HeadCount data is so simple to understand and then action. "Store managers are not all mathematicians. They are great sales people and passionate motorcyclists. If they can't easily understand the data, they won't even use it". O'Keefe says often "they just speak to the color of the arrows" on the HeadCount reports. "They tell me…'I had all greens yesterday'. That's great! If that is how they are consuming it – as long as they know their business," he says.

Fisher says that sometimes the 'miss' is how simple it is. He says at first the managers would look at the bars on the chart and were not really connecting it all. "Then you see the light bulb moment when they realize there were way more people in the store than they sold to. It's not at all what they thought happened."

Fisher then focuses on showing them that by doing just two more transactions, they could get to where they want their conversion to be. "I think it is the most basic stuff that moves the needle the most. Things that are really small that can be done over and over. In the long scheme of things, the results improve even more," says Fisher.

*"Sometimes the 'miss' is how simple it is"*

Morgan Fisher, District Manager, Southern California

But because it seems so simple, Fisher said some team members started moving away from the program early on, despite seeing good increases in conversion. "I told them, let's go back to what works – and that meant identifying what is happening at every hour again. As soon as they started doing that, and not over thinking it, they were able to move results again," he says.

Can two minutes really help?

Store Manager DeSanders agrees that there is power in the simplicity. "I love it. It's very easy to understand and it literally takes just two minutes to review our close percent every day and then what to expect the next day," she says.

How much can just two minutes help? A lot. DeSanders says it's about the consistency of the daily reports. Without the consistency you have a tendency to "shove it aside". But she puts it in front of her team members every day to show the goals, opportunity hours, and what the previous day's actual conversion was. "It gives our team the drive. We can see what days we are falling short and as a team we figure out what is working and what is not working," she says.
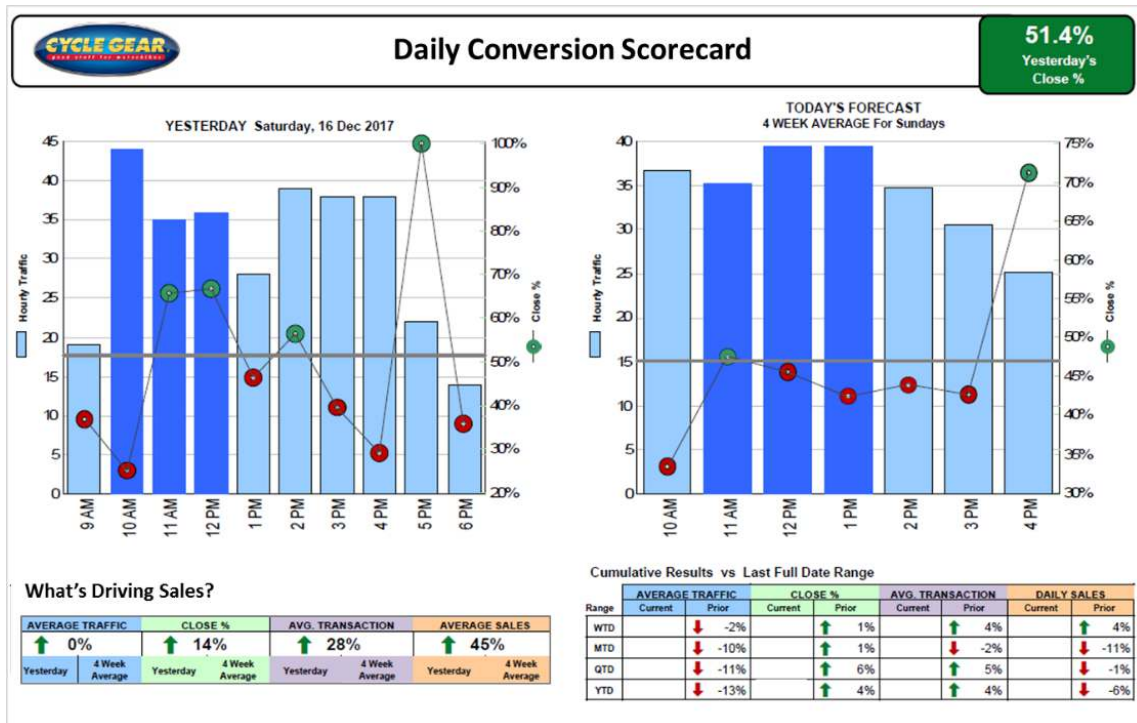
Sample Data. Not Cycle Gear Data.

In California, Fisher says he has been looking at the trends and they are showing stores that were missing at certain hours aren't missing any more. "Even if their comp sales are down slightly, we can see that the metrics the store controls are up," he says.

The reports provide layers of information to help Store Managers understand the context of where their results are coming from. He likes that the rollup reports create a sense of urgency about getting results turned around again to hit goals. "I've already seen very good increases because of this. Without the reports, it's easy for teams to get the blinders on," says Fisher.

"In our market specifically in southern California, we've had challenges with one of the wettest winters ever and we haven't had the normal customer traffic that occurs during drier years. This HeadCount program definitely helped the team be able to maximize traffic as much as possible," he says.

It's like cheating on a school test

Helbert Aguinaldo
District Manager, California

Helbert Aguinaldo, a District Manager from northern California says the visual reports quickly show where the "bulk of his opportunity is every day at every hour" and helps him schedule correctly.

"Before, the only way to figure that out was…well, there really wasn't anything. Our close percent was just a number at the end of the day," he says.

Aguinaldo started with Cycle Gear when they only had about 17 stores and over nearly two decades has travelled within the company and managed four different locations. He was promoted to District Manager right after the HeadCount launch and experienced the impact of the program both as a Store Manager and a District Manager.

*"Store Managers have all the answers to the important questions and can use them to their advantage"*

Helbert Aguinaldo, District Manager, Northern California

As a District Manager, he says he most values the simple, visual report that he can look at with a manager when he is in the store or reference when touching base by phone or email. He tells his Store Managers that the reports they have now are

"almost like cheating on a test" because they already know where all the ebbs and flows in traffic are down to the hour.

"They have all the answers to the important questions and can use them to their advantage," says Aguinaldo. "It's plain and simple – Let's get the people in the right place".

O'Keefe agrees with Aguinaldo that all the field managers seeing the data "has been transformational". He says it is so easy for them now whereas before they had to try to remember how busy it was last Thursday or the Thursday before that. Now they have a report specifically for their store, for that day of week, for every hour.
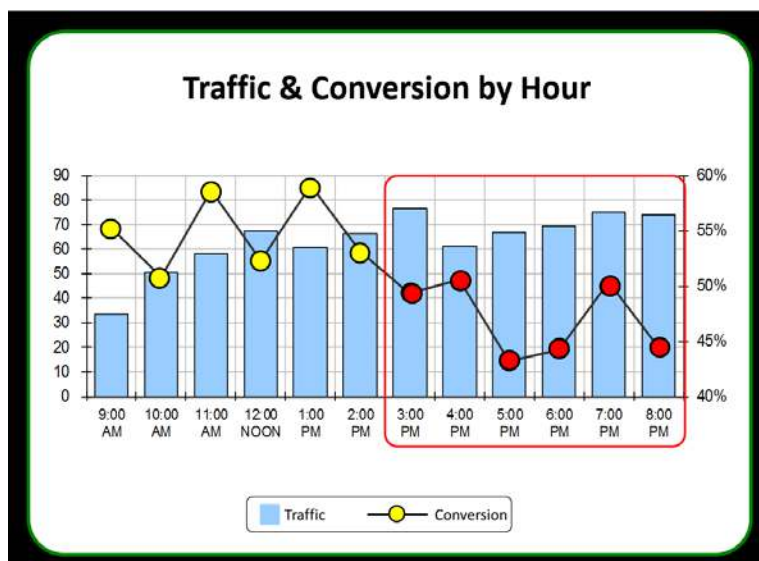
Sample Data. Not Cycle Gear Data.

Winning inside the 'Four Walls'

"It really resonates with the team and is helping them be very forward thinking," says O'Keefe. One example is that, based on the reports, Cycle Gear added additional Sunday hours for staff and O'Keefe says Sundays have been fantastic going forward.

Although Cycle Gear's staff scheduling was automated before, O'Keefe says it was automated with the wrong data – like a lot of retailers, "it didn't include traffic so we were scheduling traffic against sales which doesn't work," he says.

O'Keefe says the staffing aspect has definitely been a "big win" and he's seen stores staff up with better schedules for busy days and also take "some of the fat off" of the days where they don't really need it.

When it comes to staffing, O'Keefe credits the HeadCount iOS mobile app with giving the DM's extra guidance to help coach store managers, right in the moment, so down the road they are more self-sufficient. He says DMs will take a snapshot of a report on their phones and email it to their Store Managers and say, 'hey look…you've got a lot of traffic so far today – do you need to bring someone else in'?

"I love the app," says Fisher. "I use it all the time. With it, I can see how busy it's already getting in any of my stores and can quickly compare against the forecast. For stores that 'feel' slow to managers, now I can tell them that they actually have more traffic than normal so maybe they should adjust where their teams are and I explain how to coach them in the moment," he says.

Fisher says he looks at the app before he gets the mid-day reads at 3 p.m. every day and, for some of the stores that are off the mark, he can tell if it is team oriented or if it is "outside the four walls" driven by lower traffic. Often, he says a store might be "missing huge" on just two or three hours of the day and he can identify coaching opportunities in the moment.

It's already changing behavior

O'Keefe says the teams have been transitioning to see the HeadCount report not just as a scorecard, but as an indispensable tool. "Store managers are already starting to talk that way and it's really impressive," he says. It helps them look forward and get teams talking about 'what happened'. If there was a down spot, why did they have a down period?

In Florida, Roach says they are all having "real conversations" about what is happening in the stores. "We talk about the HeadCount information as a team once a week. And the team members are so engaged. The teams talk about 'this is where my store was last week'. 'This is what I identified as going on and so this is what we are going to work on this week. Then we will see what our results are in the upcoming week."

"It keeps the information at the forefront of our conversations and our lives. Because everything we do, one way or another, is going to affect our sales. The more you talk about it with the teams, the more they make it part of their daily lives," says Roach.

"Store teams have been transitioning to see the HeadCount report not just as a scorecard, but as an indispensable tool."

Roger O'Keefe, VP Operations

"At first I thought with the reports it was a lot of emails coming through until I started looking at them every day. That was the key for me because in the beginning I wasn't doing that – it was only every other day or every two days," she says.

Roach says she changed her behavior and every time she saw the HeadCount report she would open it up and just take a look and then reach out to the team. "It started to really be in the moment.

Now we have real data and are able to see what's been going on in the store, each hour every day, broken down by the week, and then the four week average. That's huge for myself and for my team," she says.

Aguinaldo is similarly changing behaviors and how store managers think about their business. "Now it's more about opportunities and looking to see if a store's close percent was up even if traffic was down. For us it's about controlling your own four walls. We can't control traffic but we can control what we do with all the customers who come in," he says.

If the close percent was positive, Aguinaldo says he knows the team has been helping customers the way that they should have been. But if traffic was up but the close percent was down, he knows the team "left money on the table" that could have made their goal.

"Those numbers help me as a district manager to see if the team did all that they could yesterday with what they were given, or did they miss it for whatever reason? Then those are the conversations I can have with my store managers," he says. "Instead of just looking at the numbers and saying…'just do a better job', now there are tools we can use to try to get some percentage points back."

As an example, Aguinaldo says he can easily point out that ten more people came in, and this is when they came in, but it looks like the store manager only had two people on the floor at that time. "Now we can say 'just imagine if you had one more person on the floor, it could have been the difference of making plan or not making plan'," Aguinaldo says.

Conversion Coaching – the 'conversation starter'

Cycle Gear credits HeadCount's TalkTraffic® Conversion Coaching program for starting the close percentage conversations that now happen on a daily basis all across the country.

"Every morning when I get my District report I let the team know who is winning and who has more work to do. Together we look at it as a serious piece of our business. We know doing so can help everyone win," he says. Aguinaldo says the 10 to 15 minutes coaching calls were very energetic and refreshing and it was nice to have a HeadCount expert available to help coach the team on how to increase sales.

HeadCount's Natalia Jimenez conducting a TalkTraffic Conversion coaching session in Spanish

"That was probably the biggest win of all," O'Keefe says. "I can walk into the store right after the coaching call and the managers know exactly what is going on in their stores and every district is speaking the same language."

Roach remembers her HeadCount Conversion Coach saying the coaching would benefit her business. "I've already seen that. And I like it. I like it a lot," she says.
Roach admits that at the beginning of the program she thought nine weeks of coaching would be a long

time. But by week seven she thought "Oh man, we only have our coach for 2 more weeks." Roach she says she felt "spoiled on the coaching" because her HeadCount coach did such a fantastic job. "I would say after the second call I couldn't get the team to stop talking because they were so engaged".

Fisher also found that the group Teach-Outs with his Store Managers really encouraged engagement. More of his team than he initially expected were asking questions and sharing answers with the whole team.

DeSanders, the Store Manager from California says it has definitely improved the business in her Redding store. "We get all the tools we need in the weekly TalkTraffic Teach-Outs. For me it works amazing. Everyone in my store, on my team is onboard. The self-assessments help keep the momentum and reminders to 're-coach' on certain points to make sure they are understanding," she says.

HeadCount's Chrysi Rubin conducting a 'Teach Out' to identify conversion wins and opportunities

As a teacher for 15 years before joining Cycle Gear, she says she knows that coaching is more valuable than anything else she could do with her team and really appreciates that the HeadCount Conversion Coaches have become a resource to the store teams.

"The coaching is definitely unique to HeadCount," says O'Keefe. "I am shocked at the level that they do it and it's something that my DMs reference all the time," he says.

O'Keefe says he is also very impressed with how quickly the Store Managers took to the coaching and how much they actually retain the information. "I've sat in on a few of the TalkTraffic sessions and could see that the HeadCount team does a fantastic job of drumming up conversation and calling out great performing stores. I love the way they do it. And it's not a long drawn-out process," he says.

In addition to nine weeks of group Teach-Outs, HeadCount conducted 1x1 coaching calls. "I was really surprised at the number of 1x1s they did. That was powerful," says O'Keefe. "We have districts full of Store Managers who have different skills sets. But HeadCount coached everything in a way everyone understood and no one felt left out. HeadCount did that exceptionally well," says O'Keefe.

Kicking it off in Vegas

An important component of the program that ensures no one feels left out and everyone understands the key concepts is the group Kick-off which HeadCount did in-person at the Store Managers' Conference in Las Vegas.

O'Keefe said his teams were very surprised and they thought it was very cool that the CEO of HeadCount – and the author of the *Conversion* book that was handed out to all managers at the conference – actually came out to kick off the program.

"It really hit them weeks after. Some of the guys and gals said they were reading the book and they didn't realize that was the guy onstage. The teams were really thrilled by that," says O'Keefe.

Roach said she and her team were very engaged at the Vegas launch. "My team was blown away. We were excited and appreciative. Seeing a face to this new process was huge and to have the industry expert at our own conference to explain everything…we could totally see his energy and feed off of it," she says.

O'Keefe recalls that the Kick-off was refreshing to them. It was also important to hear from a company, whose entire focus is about increasing retail conversion that, it is about increasing conversion by 1% increments.

HeadCount Founder and CEO, Mark Ryski delivering a kick-off presentation at Cycle Gear's Managers Conference in Las Vegas

Conversion goals are now achievable and motivating

Aguinaldo says understanding that moving success was all about incremental, store-specific progress was powerful. Before HeadCount, Cycle Gear had a set goal for close percentage but he always wondered, what did it really mean? "Now I actually have a meaningful goal that I can set for my team and then work together on ways we can try to move the needle by a percentage or two," he says.

"With this new HeadCount system, I love that you can see what your results last week on the same day were so you're setting an achievable goal," says DeSanders. "When goals are set too high and they're not achievable in small increments it just discourages people. I can look at the same day of the week and not ask them to do a percentage close that is too much higher. If they understand what impacts our traffic, our close and our average transaction then they understand where we are wanting to move forward," she says. "It's all stuff we can control."

The numbers don't lie

Beyond being achievable, an important part of setting team goals is setting them based on data everyone trusts. "The integrity of the data has been heartfelt," says O'Keefe. "We all know there's a team of experts on the other side doing the analytics, plus it's a third-party doing it," he says.

O'Keefe says there's real ownership by all the managers and it is never about the accuracy of the count anymore which he says "honestly, before we would get that 50% of the time."

O'Keefe says he realized they have great technology when he was in a webinar with his DMs and HeadCount was demonstrating what the camera actually showed and how it worked. I completely understood the value of the 3D camera and so did the DMs," he says.

"The teams don't even think twice about that piece anymore. "I've never heard 'my counter's wrong'. It's always 'conversion was down yesterday, what were we seeing?'" The Cycle Gear team also knows that it is not just data that is 'out there'. If they have a question about the data they get an answer from HeadCount quickly. Before, they could have a broken counter and they really didn't know what was

happening. O'Keefe says the biggest trust builder is the transparency in the numbers which has been "uplifting for the team".

Roach's district was the first to launch the program and she remembers thinking "this is some really high tech stuff". Roach says "once I saw firsthand how accurate the camera was I thought it was awesome. I was excited about the great information and consistent data that would be available across the board."

Fisher also likes that the accuracy of the technology eliminates any grey areas and helps cut to the real results. "I can't stress enough how important it is to have the real data and through HeadCount that is what we get – instead of having to guess at what things are happening. The numbers don't lie," he says.

Focusing on what works, not the "crazy stuff"

When it comes to technology they can trust, Cycle Gear is focused on traffic and conversion rather than being distracted by what O'Keefe describes as "a lot of crazy stuff" like heat mapping and artificial intelligence.

"I have friends who work for big retailers who have a lot of complicated technology but when I ask them what they actually do with all of it, it is nothing different than what I am doing now," says O'Keefe. "To be honest, after seeing what HeadCount offers it's not even an option for me. I'd rather put my money into better things like hours on Sunday or extra hours here or there to drive up conversion," he says.

O'Keefe remembers talking to another potential traffic technology partner and they did go into all of these extra features.

"Mark Ryski, HeadCount's CEO, had such a great answer," he recalls. "Mark said 'cameras are cameras and the technology is great and we could add in all this stuff in, even weather. But at the end of the day it's about the interaction between a consumer and the employee and I think that's all you need.'"

O'Keefe agreed. "I don't need to overdo it with our Store Managers. I pay them to sell. I pay them to help customers. I pay them to be customer-service facing. I don't pay them to try to out-think consumers. If we offer great customer service, we're going to take care of shoppers every single time," he says. And that decision is already starting to pay off.

As a Store Manager, DeSanders agrees with keeping it focused. "A lot of companies that do this type of work give you the tools but after that you are on your own. If I don't know something I need an expert to ask. That way, I can coach my team properly," she says.

Customized reporting…and service

'Keeping it focused' to HeadCount means personalized service for Cycle Gear. "That was a 'wow' moment for me," says O'Keefe. "I realized HeadCount is not trying to make us like everyone else. They understand retailers are all different and are all running different businesses. HeadCount isn't trying to cram everyone into the same box. They are very fluid," he says.

O'Keefe said he was already leaning towards HeadCount during his vendor search because of the analytics the company provided early on, but he says the "phenomenal customer service was icing on the cake."

"It was nice to see that the customer service wasn't just an act during the 'courting process'," says O'Keefe. "It's really carried through and I definitely know we made the right decision working together."

One area that really stands out for O'Keefe are in the reporting requirements he has beyond the field level that assist him in speaking to his boss and his boss's boss. "I was trying to get all the information together and mentioned it to HeadCount and they said 'why aren't you just asking us for a report' and I said 'can I do that'?"

"Whenever I ask for anything it's 'here you go, let us know if it works for you'. It's amazing. HeadCount says they offer 'customized reporting' but it's really 'customized service' which really helps our team."

"It was nice to see that the customer service wasn't just an act during the courting process"

Roger O'Keefe, VP Operations

Cycle Gear's field management has experienced the same level of support. "Overall I couldn't be a bigger advocate," says Fisher. "I'm super glad we have this program for the company and can't wait for our comp to roll around when we have year-over-year data. It truly then becomes even that more valuable," he says.

In addition to having "great results with the program," Roach adds that HeadCount has "gone above and beyond in their support."

Clearing the 'high bar'

Although Cycle Gear's field management now experiences HeadCount's reporting and coaching support on a regular basis, HeadCount's Technical Services team set the 'support bar' high from the beginning.

After completing a month-long test to make sure all the camera technology and data feeds were working seamlessly, Cycle Gear was ready to move fast to be ready to have all 120 stores installed and ready to kick-off in Las Vegas at the March Store Managers' Conference. That left about five weeks. It was an ambitious installation goal but both Cycle Gear and HeadCount were up for the challenge.

"You guys definitely overwhelmed me," says O'Keefe. "Your project management side of things was unbelievable. It was crazy to watch the long list of stores to install just trickle down." He says HeadCount's ongoing communication throughout the project was phenomenal. "I was never once in the dark about anything. And that was definitely impressive," he says.

Since the launch, Cycle Gear has opened new stores and O'Keefe says "without fail I know they are going to be set up painlessly and seamlessly."

Cycle Gear's exceptional leadership, an example to the industry

In 20 years of installing traffic counters and working with North America's largest retailers to optimize conversion rates, HeadCount has worked with several retailers who stand out as stars in the industry or what Author, CEO & Founder of HeadCount Corporation, Mark Ryski calls 'Conversion Champions'.

In an industry plagued by indecision and distraction, Ryski says Cycle Gear is bucking the trend. "Not only are they achieving their conversion and comp sales goals, but they are growing and opening new stores." Ryski says that is not all that surprising given the exceptional leadership he experienced first-hand with the executive team all the way through the field leadership he had the opportunity to present to in Las Vegas.

"The team is really exceptional, says Ryski. "Not only were all the executives open to looking at their existing data with a critical eye, but they were very motivated to find the solution that would truly support and engage their field teams to be successful."

"We know how distracting bringing on a new program can be for an already-busy retailer. But from the moment they approved our proposal they were ready and prepared to move swiftly through a month-long test and then never wavered from one of the fastest pilots we have ever done."

"We are extremely proud of the work being done by every Cycle Gear team member using this data and embracing change. It is exciting to see them succeed and we are delighted to celebrate that success with them and applaud their extraordinary initiative."

HeadCount®
*HeadCount Founder & CEO,
and Author Mark Ryski*