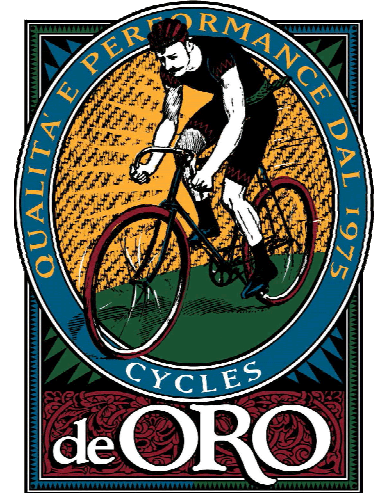


cycles de ORO

Operations Manual

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Introduction

About this Manual

This manual is cycles de ORO property, is to be held totally confidential and to be taken seriously by all employees.

A brief history of cycles de ORO

cycles de ORO, Inc. was started in 1975 by Robert Kraus on Spring Garden Street and was at that time named **TOGA** Bike Shop. Bob had helped start the well known Toga Bike shop in New York city and had moved south with a zeal to be in the bike business. Dale Brown and Bob were cycling friends and Dale had a role in helping Toga open, including hand painting Toga's first store front sign. Shortly after Toga opened, Dale had just received his Masters degree from UNCG, but could not find a suitable teaching position so Bob invited him to join the Toga as his partner. Seeking their own unique identity, the name was changed in about 1982 to cycles de ORO. (cycles of Gold!)

Although Bob and Dale had been very harmonious business partners, in 1983 Bob decided to complete his higher education and sold his shares to Dale.

cycles de ORO was the founding shop for the Carolina Cup race, the Triad Wheelers Bike Club (later became the Greensboro Velo Club), the Tour to Tanglewood, Rites of Spring Ride, Polar Bear Ride, Tweed ride, GSO Gran Fondo, Tour de Family, 4th of July Ride, Cirque du Cyclisme vintage bike weekend and many other cycling events and activities.

Company Values

All cycles de ORO's policies and actions are focused upon being the best possible source for our customers' high quality bicycling needs, and creating a community that is friendly to bicycling as a recreational pastime and a viable means of transportation.

Mission Statement

cycles de ORO pledges to be ethical in all dealings with customers and to be responsible in our choices of products and in the quality of our service.

Safety policy

cycles de ORO is committed to preventing injury of customers or staff. Any work place condition that may represent a potential hazard should be brought to the attention of a manager immediately.

Team Basics

Pay day

Payday occurs every **two weeks**. Each employee is expected to inform Dale as to their work time within 15 minutes of start & finish. At the end of each pay period, employees must inform Dale of any **shop purchases prior to checks being issued and “settle up.”**

Scheduling

It is extremely important that the staff fulfill their scheduled work slots. No substitutions may be made without the knowledge and approval by Dale. No worker may become a stand-in for another if it creates an over-time situation.

Equal opportunity

cycles de ORO is an equal opportunity employer with an understanding that cultural diversity is desirable.

Sexual harassment

No sexual harassment will be tolerated in the work environment. No language or actions that can be viewed as demeaning, vulgar or lewd will be tolerated in the work place. All complaints will be treated with the utmost seriousness and dealt with appropriately. Address any complaints directly to the President, Dale Brown.

Probation period

All new employees will be evaluated the end of 30 and then again 60 days, with a focus on the employee's fit into the company's team.

Tardy and absent from work

Staff members are expected to arrive at the shop **5 to 10 minutes before** their clock-in time. This allows time to arrange personal items, don the mandatory shop apron and be ready for work before clocking in. After three tardy complaints, employees are officially warned that they will not be employed if they have another infraction. Absences without notice will receive this “this-is-your-last-chance” warning after that third incidence. **“Four strikes you are out”**

Meals

Staff members who work full shifts must take a complete 30 minute meal break. Partial day employees do not take a meal break, but should arrange their meals before or after work.

Food stuffs in work place

Eating food or meals inside the store is prohibited. Meals brought from home should be kept out of the workplace and consumed only during meal breaks and outside the building. Food received as a Gift from customers should be placed in the far back employee space, out of the public eye and must be totally consumed the day it arrives. At the day's end, all surplus foodstuffs must be removed or discarded. Every effort should be taken on those occasions to keep the food tidy and minimize spillage to discourage bugs, odors and disarray. No food should ever be in the sales areas, cash register, etc.

Regular pay/overtime pay

Every employee is given a schedule that should equal 40 hours a week or less. No overtime is authorized unless by prior arrangement with Dale. Staff members who accidentally work longer than their allotted hours must schedule “comp time” (time off that you would have ordinarily worked) to replace these overtime hours. No overtime extra pay is authorized without specific advance agreement with Dale Brown.

Staff personal presentation.

Because we face the consumers each day, CDO staff is required to dress and use personal grooming & hygiene.

- No dirty, ripped or ill fitting clothing.
- No controversial or political logos.
- Men with facial hair should be neatly trimmed.
- Hair “attended to” and conservative.
- All staff must wear the shop aprons while “on the clock.”

Categories of employment

There are **3 employment categories (see below)**. Each has its particular pay levels and limits. Should, for instance, a Full Time staff member decide to go to back to college and change to Part Time status (according to the definitions below), that person’s pay scale & benefits would also change correspondingly. Please note that number of hours worked has no bearing on these categories.

Full Time

These are individuals who have been officially designated as “Full Time Staff. This is not based upon the number of hours worked but is a acknowledgement and acceptance by management of this special status.

These year round employees have declared availability to work **any** cycles de ORO schedule, who are serious cycle industry qualified employees, with **no additional interests** (2nd jobs, school, racing, etc.)

Should Full Time employee change their status to Part Time, they would be also be subject to reduced wage levels of Part Time or Rate workers.

Part Time

These employees are seasonal or available only a limited schedule. This category frequently have additional personal agenda that does not necessarily include cycles de ORO. This category has an hourly wage ceiling that can only be surpassed by changing status to Full Time.

Rate Workers

Those staff members who supply a particular service exclusively, as in bicycle builders. These employees are on a “piece work” basis (paid by the job, not hourly) and usually have very flexible schedule.

Vacations

Vacations must be scheduled with the agreement of Dale Brown at a mutually advantageous time. Vacations should be scheduled in the “off season”, within the 6 months comprised of October through March.

Outside employment policy

There is no restriction on outside employment so long as it meets the following conditions:

1. The outside work has no relationship to bicycling, nor conflict with cycles de ORO business areas.
2. This work does not involve cycles de ORO’s customer base in any way.
3. This work does not affect that staff member’s cycles de ORO job performance or schedule.
4. This outside work does not include activities that might negatively affect cycles de ORO public relations or reputation, i.e., is controversial or otherwise likely to offend community standards.

Disciplinary policy

cycles de ORO will enforce its policies with warnings and discussions as the means to correct problems, but the ultimate result of non-compliance is **termination of employment**.

Smoking

There is no smoking permitted in or around cycles de ORO property. **A condition of employment is to be a**

non-smoker. Smoking is proven to be hazardous to one's health and cycles de ORO does not want to employ those who are self destructive.

Riding your bike to work

cycles de ORO encourages all employees who are able to ride their bikes to work. Please limit the daytime storage of your commuting garments & paraphernalia to your locker. Personal bicycles should be locked outside or in the back store room.

Staff Car parking

Staff parking is to be always in deference to our customers and neighboring businesses. "Official designated staff parking" is east of our building, along the left as people enter our parking lot. Avoid areas where other tenants park.

Do not park in the very front of our lot. That is for customers.

On weekends and SALE days, park as far away as practical to keep spaces open for potential customers.

Professional conduct on the sales floor

Every customer through the door **MUST** be briskly, happily, affirmatively greeted with a **smile**.

When "in the public eye", staff should maintain a happy, positive decorum at all times.

Please **no personal conversations, inside jokes, or shop talk should transpire in front of customers.**

If a staff member cannot adapt a "show time" positive friendly persona, they should remove themselves, or be removed by a manager.

Job Descriptions and Standards

What is expected from Managers

Managers are responsible for not only their own duties but for those who are subordinate to them.

Managers are compensated at a higher rate partially because they have the responsibility to supervise co-workers as well as perform their own work.

What is expected from Sales people

- To be efficient and professional, rendering the highest quality assistance to customers in finding those cycles de ORO products that most closely match their wants and desires.
- To unpack, accurately price, place on display those bikes, parts and accessories.
- To maintain organization and housekeeping in **all** areas of the store.

What is expected from Mechanics

- To efficiently receive, process and complete repair and service orders with the highest quality results, both for customers and cycles de ORO.
- To interface with customers with positive and cheerful representation of cycles de ORO's services and abilities.
- To maintain housekeeping in **all** areas of the store, especially on their workbenches.

Selling the merchandise

How to sell a bicycle

cycles de ORO depends upon all staff to present our products (bikes, parts, accessories, clothing and technical service) in the best possible way.

The primary selling philosophy should be **to truly befriend the customer**, i.e., help, advise and assist them as a friend. After questioning and carefully listening to the customer's wants, needs and desires, staffers need to present the best solution from cycles de ORO's range of offerings.

Listen more than you talk. Avoid talking about yourself and what you like or have experienced. Do tell them what is popular with our customers or nationally. Ask them where & how they want to use their new goods.

Be sure to inform them early in the discussion about cycles de ORO's **unique new bicycle warranty** and our shops role in the local cycling community.

How to present new bike accessory sales

People **want** to add on goodies once they have made their bike decision. Sales staff should describe and offer all appropriate accessories at the time of the new bike sale. This is the best opportunity to fulfill the customer's needs, have it installed and possibly receive a discount. It is discouraging when customers come back for service and their bikes are bedecked with accessories from other sources!

Selling car racks

Racks for carrying bikes on automobiles are valuable accessory, but are critical in fit and application. Many bike shops no longer install racks on cars for fear of lawsuits, but cycles de ORO will assist and install racks. However great care must accompany such service. Except in special SALE circumstances, strap-on rear racks will be assembled and installed for free. Hitch racks will have fees for assembling & installation.

Selling and fitting helmets

Helmets will not protect the customer if they are not a proper fit. Staff members should check for correct size as well as strap adjustment.

We also provide this adjustment to helmets bought elsewhere as a gesture of good will and concern for safety...

Selling and fitting bicycle seats

Bicycle seats/saddles are an important part of customer's enjoyment of their bikes. cycles de ORO's policy is to change or swap any seat on any new bike until the customer finds a fit. Original equipment saddles have a set trade-in value of \$10.00 each. The customer would be responsible for any cost difference, but no labor charge. As long as the seat to be exchanged is in perfect, new condition, there is no limit to the number of time different saddles may be changed.

Special orders

- Parts & Accessories: No Special order will be processed without payment in full. Be sure to inform the customer of those terms. Fill the form out completely.

- Bicycles: Be sure to have looked thoroughly at our in-stock merchandise. Check that the bike is actually available. Each order requires a bicycle inventory form thoroughly completed. A 50% deposit is required deposit.

Custom bicycle orders

The custom built or "pro" bike sale carries an even heavier burden of customer analysis and specification. Use our long detailed form and carefully describe and price each component.

How to process a trade in bicycle

1. Make sure the bike was originally sold by cycles de ORO, Inc or Toga Bike Shop of Greensboro. (no others are considered) The bike should have our shop sticker on it.
2. Fill out a Bicycle Sales form listing the new bike's details, including accessories, shipping, labor, sales tax and show the new bike total cost.
3. The Bicycle Blue Book can be then used as a reference for "ball park" estimate
4. Dale then must decide if we want to acquire this particular used bike.

Safety issues at time of sale

New bike customers must be informed of these critical points:

- It is urgently important to use a correctly fitting cycling helmet.
- They should be instructed how to use their wheel quick releases.

- That they must follow the rules of the road as it applies to all vehicular traffic.
- Give them their owner's manual and note that it contains many safety advisements.

Thank you cards and follow up after the sale

Whenever possible, send a cycles de ORO Thank You card to new bike customers including personal acknowledgements (example: "Thanks Jones family .. I hope you have a great time on vacation with those good looking Giant bicycles!")

Whose sale is it?

cycles de ORO generally does not offer commission for sales, but occasionally there are "spiffs" for selling targeted products. It is expected that staff members will be honorable and mutually helpful, but when a final determination must be made, all credit will go to the person who completes the paper work AND collects a deposit or payment.

Club - Group Discounts

Currently cycles de ORO sponsors at least 5 groups. Flat discounts are not offered to any. Instead, we do other things (Reward gift certificates, club insurance, event support, etc.) to help these groups as a whole.

Gift Certificates

Gift Certificates may be bought in any face amount. The blank forms are stored inside the cash register. They have with no time limit and can be used for any cycles de ORO product or service. Cash "change" is never given, but instead whatever balance they are due is written on their certificate and handed back to them.

How to negotiate price with customers

Staff members do not have the ability to negotiate price. cycles de ORO is a retail seller, not a discounters. For instance, current model year bicycles will virtually never be discounted. If they want a lower price, suggest a SALE bike. We often have some inventory with reduced prices.

"Package deals"

Using the Bicycle Sales form, we can offer a "package deal" on bike, parts and accessories at time of sale **in order to close a sale**. If not necessary, we do not make this offer...

Process: Add each item and detail of transaction, including labor for accessories, installation, tax, shipping if needed, etc., and then submit to Dale for the special price. Please note that **no set percentage** will be applied, so please do not use that % terminology in discussing it with customer.

Phone manners, and how to use the phone to sell

Telephone answering is a highly important initial contact with potential customers. Bright, crisp, happy and cheerful voice response is crucial. Answer **AFTER** two rings.

Please use all the name as in "cycles de ORO Bike Shop! This is (first name only) speaking!" Do not say "Can I help you" or additional similar phrases, but enunciate carefully and do not speak too quickly.

If you smile when you answer the phone, somehow the customer will sense that!

How to handle difficult customers.

- The first **paramount** rule is **"never argue, or make excuses"**. Customers want a solution, not a sad story. Talk very little, listen a lot.
- To a great degree, cycles de ORO follows the philosophy of "the customer is always right".
- If you are having a difficult time with a particular customer, **ask for help** from a co-worker or manager. For instance, "Let me ask Fred what might be the best thing here...."
- Only offer solutions. Do not admit fault, but agree that you understand the customer's point of view. Take notes

and try to resolve the situation. Be sure to follow up quickly on any promised action. Advise Dale of the circumstances.

- One angry and dis-satisfied customer can negate thousands of dollars of advertising and millions hours of good will. **If it doesn't involve cash money back, for example, DO IT!**

Shop keeping

Handling incoming merchandise

- Incoming packages should be arranged so that it does not intrude into the sales area or customers vision. Move stuff to back, behind counters, etc.
- Price coding should be carefully calculated and marked on the invoice before applying price tags

Merchandising is super important!

- Use vertical rather than horizontal alignment.
- Remove empty slat wall hooks immediately.
- Make sure the same color and configuration slat wall hooks are used in each section.
- Make sure the same style & color hangers are used in each section.
- Make price tags uniform.
- Arrange by increasing size (XS to XXL)
- Arrange bikes by \$ model, and then by gender (ladys first) then by size. Least expensive models toward entrance door; most expensive farthest away from entrance.

Signage

All signage must convey the same aesthetic and image, i.e., be similar and consistent throughout the store. For that reason, **all signage should be initiated and executed ONLY by Dale**. If you need signage, bring it to his attention.

Mark up and mark down

All incoming merchandise will establish the selling price for identical goods. Prices on in-stock should be changed to match new goods.

Dale decides on any mark downs; bring a perceived need to his attention.

Cleanliness

The sales areas, repair shop and storage areas should all be at the highest standard of cleanliness at all times. It is EVERY employee's duty to maintain this cleanliness. Keep your own space tidy and clean up after others too.

Staff appearance

- Casual, neat, clean, traditional, even preppie.
- Everyone wears an apron.
- No torn, ripped or patched attire please.
- No political or controversial slogans on t shirts/clothing.
- Please impress customers with your wit, charm, considerate nature, affable personality and do NOT impress them with your cosmetic presentation!

Filling out paperwork

It is really important that any staffer who might follow you, will know the details of what has transpired in each customer transaction. What exactly the customer is buying and prices charged, balance due, deposit

amount made, due dates, etc.

Repairing packaging

Tape, glue and other materials are available to keep packaging looking good. Ask Dale!

Handling defective merchandise

Goods need to be identified as actually sold by CDO , carefully documented so we can successfully return or gain credit from our vendors.

Keeping bicycles from getting scratched

It is imperative that new bikes and customer's bikes are unscathed when at cycles de ORO. Bikes on display should be carefully positioned and not displayed too close together. Bikes in storage should be equally carefully positioned so as not to touch others.

Keeping bathrooms clean

Clean bathrooms are all of our responsibility. Each visit, all employees make should include to "wipe down" the sink and commodes and give an over all inspection. Empty trash cans and pick up debris. Leave the fan on, esp. if you are leaving an odor behind(!)

Warranties and returns

How to describe our warranty

Please carefully read & become familiar with our unique warranty & use every opportunity to tell customers.

How to honor our warranty

Because the warranty applies to **original owners only**, dramatic warranty claims (broken frame, bad shocks, expensive wheel problems) require that the customer present their original sales receipt. Small services can rely on the identifying cycles de ORO or Toga frame sticker. Remember, customers may not bring in a partial bike (i.e. just the frame) for warranty consideration. It must be complete and fundamentally "stock".

Low price matching

On identical make, model, size & color, cycles de ORO will match and **beat by \$5.00**, any local, verifiably **in-stock** bicycle price. This includes Winston Salem, Clemmons, High Point, Burlington. Specifically EXCLUDED are any and all mail order prices and those from Chapel Hill/Carrboro, Raleigh, Cary, Charlotte, and beyond.

The staff member must telephone the shop which has the low price and confirm that price is valid and the exact model, size and color is in stock.

We will not match any mail order or internet prices.

Handling money

Accepting cash

Reasonable care should accompany accepting large amounts of cash and being alert to possible counterfeit monies. Notice if the customer is in a rush to complete transaction and/or not showing enough care about what they are buying; these are signs of trouble!

Accepting credit cards

Credit cards must be processed carefully. Not-known-to-us customers making large purchases should have extra care taken in matching card to other IDs, drivers license, etc. We **MUST** have the actual card in hand to process an order.,

Accepting checks

Checks must have purchaser's information printed-by-bank on check. Under any circumstances, no "counter checks" where they have filled in that info themselves.

Check acceptance requires **two IDs**; a NC drivers license and a credit card issued to writers name. (Do not write actual credit card number on check but write, for example, "Visa OK" or similar.)

No out of state checks, except border communities (Danville, etc.) Employee must collect this required info or take full financial responsibility for any loss (i.e., pay for "ride-away" bikes, bad checks.)

Finance company?

At this time, we have no outside financing available. Giant does offer financing when customers use their Weblink program. (which we like!)

Returns and refunds

Be very familiar with our warranty!

Only items sold by cycles de ORO may be accepted for return. (Note, some companies have advised customers to take the X product back to the nearest stocking dealer for free warranty replacement. We do not accept those terms! It must have been sold by CDO and they have a receipt.)

Please study the return policy as posted on the cash register. Items accepted for return must be carefully inspected for being used, having no damage in goods or packaging, etc. In other words, we must be able to resell these items without repairing packaging, cleaning, etc.

The employee who accepts the returned goods assumes responsibility for the goods condition and ability to be resold at regular price.

Sales tax

Currently all sales and labor must have 6.75% NC & local sales tax applied. We are not registered as a out-of-state vendor and therefore we **must charge tax all sales whether in or out of state.**

Layaways

Cycles de ORO no longer offers layaways.

Rain checks

During SALES or promos, cycles de ORO **does not issue rain checks** of any kind.

Employee purchases

As a benefit of employment, all staff members may purchase any available cycling goods for their own personal use only at literal landed cost, i.e., including all shipping and handling costs.

- Every purchase over \$1.00 must be cleared with Dale, no exceptions.
- Products should always be limited to those that cycles de ORO sells and wants to promote, conversely, products which are not sold or wanting to be promoted are not available to employees on any basis. (Example Shimano shoes, Pearl Izumi, Giro, etc. are not to be bought as employee purchases)
- Payment is due **in full by the next pay day**, except in cases where the supplier requires advance payment.
- "Pro deals" and employee discounts through suppliers are a special privilege not an entitlement.
- The employee assumes full responsibility for warranty fulfillment, to be pursued off the clock on their own time and to pay all shipping and telephone costs.

Preventing call backs and returns

Customer "buyers remorse" is often the result of improper presentation and delivery. Be certain that each customer is informed fit and trained in the characteristics of their new purchases. **Positive reinforcement as they walk out the door** is also very effective, especially if it is sincere...

Store and staff security

How to act in the event of an armed robbery

Full co-operation in an armed robbery is essential. Personal safety takes precedence over money or goods.

Discouraging shoplifting

Careful, close attention to customers and being on the sales floor is the most effective method to deal with potential shop lifting. If some one is suspected, the best technique is to engage them in continuous conversation. Do not accuse anyone on mere suspicion!

Preventing test ride losses

Drivers license **must be in our hands** before allowing a test ride. Helmets should be strongly recommended. Go outside and stay in eye contact with tester.

What to do in the event of a fire

Call 911 and evacuate. Be alert for children.

Policies concerning keys

Staff members are awarded the higher level of responsibility of holding and using shop entrance keys based upon their tenure and need. Extra care must be extended toward never leaving the entrances unlocked after closing.

What to do if a customer or staff member gets hurt

Seek medical or emergency help if deemed necessary. Err on the side of safety.

Service work

How to use bicycle repair ticket

The tickets are to be filled out completely so that:

- The customer can be contacted and informed as to the work and it's progress.
- We know WHEN it came in and is promised out.
- Billing and charges can be accurately accessed and communicated.
- Always give an estimate. Use the rate chart to calculate the estimate.
- We give "estimates" not "quotes". Be aware of the difference!

Selling the customer all they want, not just what they need

Do not underestimate the customer's desires. Remember to ask for their input and to suggest steps or items that will enhance their use of the bicycle...

Pricing

Please study and be familiar with the repair labor chart as it contains repair policy as well as pricing.

Accepting tips for service

cycles de ORO employees are expected to view their hourly pay rate as the appropriate compensation. Whether it is more gracious to decline or accept that occasional offering of a monetary tip is left to the employee's discretion. Any employee found to be actively soliciting a tip of any kind would be summarily dismissed. If a customer asks what sort of tip would we like, suggest food that all staffers can enjoy.

Owners manuals

It is essential that the new bike buyer receive an owners manual. This should be presented at final check out time. Customers should be advised that the manuals are broad based and lack detail. The customer should be encouraged to use the shop's staff for help, rather than rely on the manual.

Standards for repairs

cycles de ORO has an enviable reputation for high quality repair and service. No cheap quick fixes or halfway measures should be undertaken. When every bike leaves our repair facility, it **must** be in safe operating condition. If a customer wants us to only partially repair a bike, ask them to bring it back once they have done those other procedures, so we can “finish it up.” Every customer is should receive to a full and complete explanation of all steps performed and the commensurate charges on their bike.

E-Bikes

We are happy to service e-bike brands we currently sell. We will not service many/most that are Internet or big box purchases. We absolutely will not service in any way a wheel containing the motor and control wires. We also limit our e-bike service to those using conventional bicycle parts and sizes.

Repairs left more than 30 days

Are charged storage at the rate of \$5.00 per date past promised finished day. At our discretion, these bikes are subject to be sold for the cost of the repair bill & storage OR donated to the Community Bike Shop charity.

Other

Helmet policy

cycles de ORO employees should **always wear helmets** when riding in our community, because as members of the shop, staff represent cycles de ORO in the public eye.

Solicitation - cold calling salesmen

Salespersons **require an appointment** in virtually every case. Only Dale can make an appointment. Sales agents must make an appointment with Dale using e-mail (cyclesdeoro@gmail.com) **No telephone solicitations** are allowed; staff must hang up quickly on sales calls, being certain to not give your name or say anything that can be twisted into acceptance of bogus offers, etc.

Display of literature.

It is cycles de ORO policy to only display or “hang” literature, brochures, poster or announcements that directly **have to do with bicycling**. Dale only will determine the placement and means of display. Do not accept any display without Dale’s permission.

Requests for donations

Any such requests need to be made must make via an e-mail (cyclesdeoro@gmail.com)

Requests to speak to the owner

They must contact Dale using email (cyclesdeoro@gmail.com)

Handling the U.S. Mail

CDO mail is the property of Dale until he has reviewed it. Do not open any mail nor distribute it other than directly to Dale. Place incoming mail in Dale’s office.

When your personal bike is at the store

Please place it in the back storage room or lock up outside.

Working on staff bicycles in the store

After-hours work on employee bikes is fine with a key holder present. Only employees or team members bikes are allowed. Do not work on others bikes or entertain non shop personnel in the store after hours.