Sample Enterprise Data

Market Intelligence & Growth Strategy

🎯 **Hunting Strategy**

🌱 **Farming Strategy**

🏭 **Distribution Center**

Data-driven B2B growth strategies derived from 2013 Sample Enterprise transaction data

10,541	$334M	51	43
B2C Customers	SW+SE Revenue	Uncovered Zips	Leakage Cities

2013 Baseline | US Market Only | B2B & B2C Channel Separation

Executive Summary

Three data-driven strategies from a single year of transaction data

Hunting Strategy

$2.28M

Uncovered Market Revenue

- 51 zip codes with B2C demand, zero B2B partner
- Burien WA leads with 128 proven orders
- Southwest: 33 zips, $1.63M opportunity
- Evidence-based partner prospecting list

Farming Strategy

99.4%

Peak Leakage — Port Orchard WA

- 43 cities losing revenue to online channel
- $850K leaking in covered markets annually
- Tires & Tubes: 39.6% B2C vs 7.3% B2B
- Quarterly partner health monitoring cadence

Distribution Center

$391K

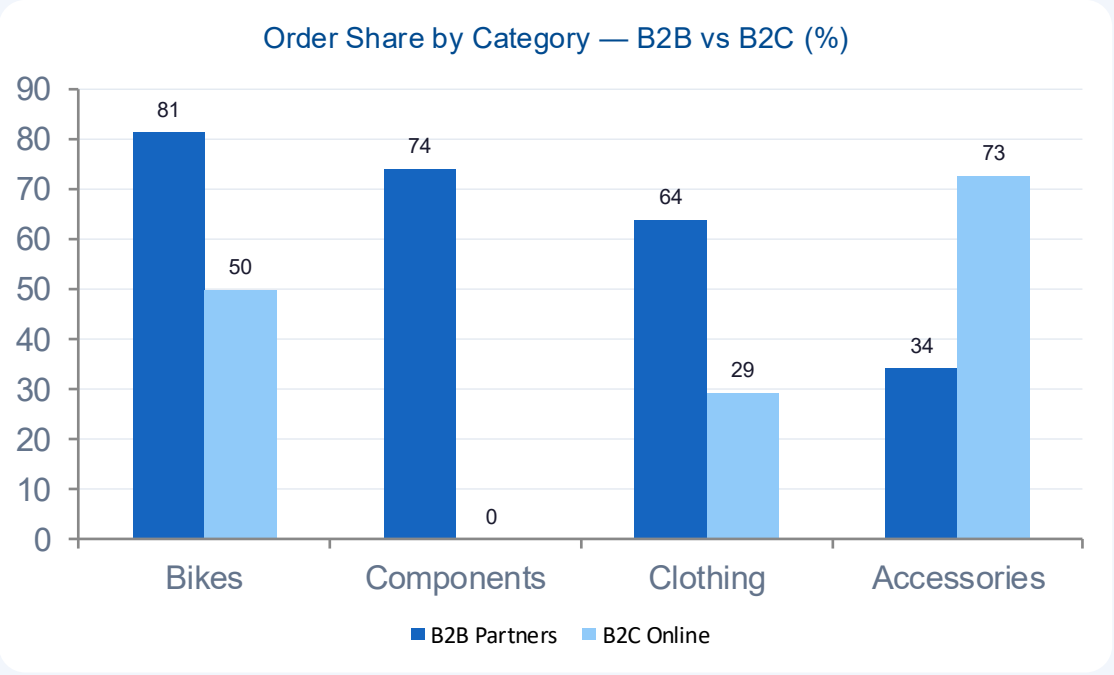
Monthly Break-even Lease

- SW + SE generated $334M B2B in 2013
- Freight at consistent 3% of revenue
- 5yr freight spend projected at $58.8M
- Dallas/Memphis corridor — optimal geography

Channel Intelligence — The Foundation

DATA FOUNDATION

B2C customers buying accessories online — waiting 7 days — while B2B partners next door sell bikes at thin margins



B2C Accessory Order Share

72.5%

vs 34.1% B2B

Accessories Gross Margin

62.6%

B2C direct channel

B2C Orders — Zero Discount

100%

Brand pull, not price promo

B2B Discounted Orders

28.5%

"B2B partners sell the bike at thin margin — the accessory inventory is the parts department they're missing"

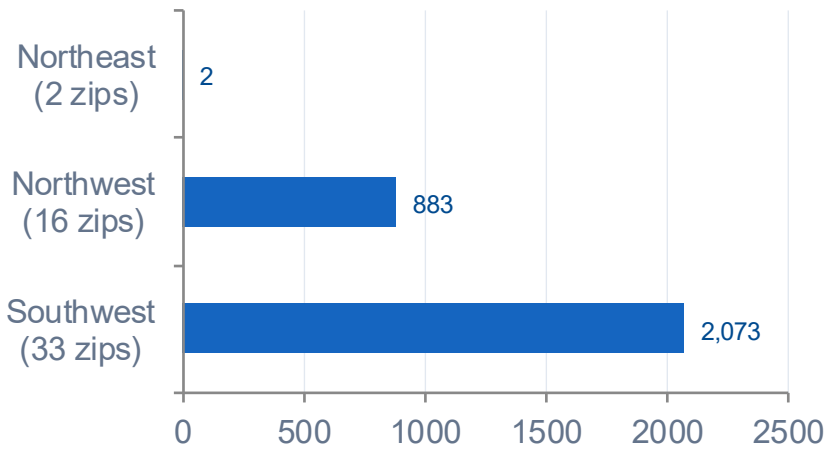
Hunting Strategy — New Partner Prospecting

STRATEGY 1 OF 3

51 zip codes where customers already buy our brand online — no premium bike shop serves them

UNCOVERED ZIP CODES	B2C REVENUE LEAKING	TOP OPPORTUNITY	AVG SHIP WAIT
51	$2.28M	128	7 Days
US market 2013	going online not to partners	orders — Burien WA	partner could serve same-day

Uncovered Market Orders by Territory



Top 10 Opportunity Markets

City	Territory	Orders	Revenue
Burien, WA	Northwest	128	$87,862
Concord, CA	Southwest	120	$74,613
Chula Vista, CA	Southwest	115	$76,326
Berkeley, CA	Southwest	107	$82,910
Beaverton, OR	Northwest	107	$46,402
Bellflower, CA	Southwest	101	$85,704
Bremerton, WA	Northwest	98	$82,031
Burlingame, CA	Southwest	95	$69,555
Colma, CA	Southwest	92	$83,843

"Before I ask you to open a new market — 128 people in Burien WA ordered our brand online last year and waited a week. No bike shop is there. The demand is proven."

Farming Strategy — Partner Health & Leakage

STRATEGY 2 OF 3

43 cities where a B2B partner exists — but customers still order online. That's a conversion problem, not an awareness problem.

CITIES WITH LEAKAGE	REVENUE LEAKING	CRITICAL TIER	WORST LEAKAGE
43	$850K	15	99.4%
partner exists, revenue lost	in covered markets 2013	cities >50% online leakage	Port Orchard WA

Partner Health Priority Matrix

Tier	Leakage	Action	Example
Critical	>70%	Immediate partner review	Port Orchard 99.4%
At Risk	40–70%	Rep coaching — accessory mix	Beaverton OR 93.1%
Healthy	20–40%	Quarterly check-in	Redmond WA 41.6%
Strong	<20%	Recognize — share as best practice	Bellingham WA 16.5%

The Accessory Opportunity

39.6% — B2C Tires & Tubes order share
vs only 7.3% in B2B stores

25.2% — Helmets — channel neutral
equal demand B2B and B2C

72.5% — B2C accessory order share
vs 34.1% in partner stores

62.6% — Accessory gross margin
vs ~40% on bikes

"We want to empower you and grow the pie — your customers are already buying our brand, just not from you"

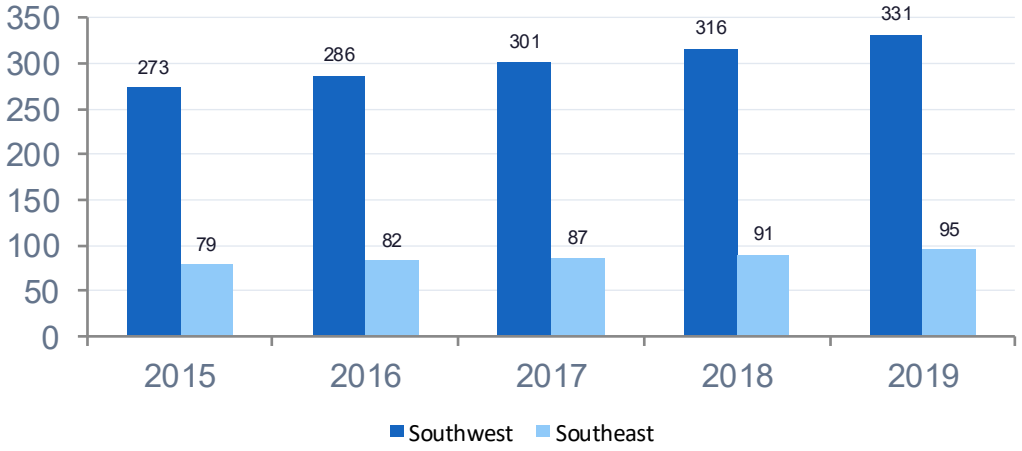
Distribution Center — Investment Case

STRATEGY 3 OF 3

SW + SE generated $334M in 2013 B2B revenue. At 5% growth, 5-year freight spend = $58.8M. Here is the opportunity cost of not acting.

2013 COMBINED REVENUE	5-YEAR FREIGHT SPEND	WAREHOUSE SAVINGS	BREAK-EVEN LEASE
$334M	$58.8M	$23.5M	$391K
SW + SE B2B territories	at 3% rate, 5% growth	assuming 40% reduction	per month over 5 years

5-Year Revenue Projection ($M) — 5% Conservative CAGR



Investment Assumptions

Revenue Growth	5% per year (conservative)
Freight Rate	3.03% of revenue (proven)
GP Benchmark	40% (industry standard)
Warehouse Savings	40% freight reduction
Lease Period	5 years
Geography	Dallas or Memphis corridor

"This is not a recommendation to build a warehouse — it is the data you need to decide if one pencils out"

From Data to Strategy

Three actionable growth strategies derived from one year of transaction data



Hunting

51 markets

$2.28M proven demand with no partner coverage



Farming

$850K leaking

Port Orchard at 99.4% — a partner that barely exists



Distribution

$391K/mo

break-even lease justified by 5-year freight trajectory

Recommended Sequencing

1. Farming first — lowest cost, fastest ROI, existing relationships
2. Hunting second — new partner acquisition requires sales cycles
3. Distribution center last — capital investment, validate with 2-3 years of trend data

All analysis built from Sample Enterprise Data 2013 transaction data | SQL validated throughout | Conservative assumptions applied



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Strengthening From Within

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