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WHAT DOES “BUILT IN CANADA” MEAN FOR VITESS?

When we refer to building a bike, we are referring to the process of final assembly. It is very important to understand the distinction between “bike building”, “frame carbon processing” and wheel and component manufacturing.

Those processes are completely different and in the vast majority of the cases, they do not happen in the same physical location. The capital investments, know-how and logistical requirements pertaining to the 2 primary activities of frame carbon processing and bike building are extremely different and most bike companies wisely decide to keep the two processes separate. Very often both are outsourced to different carbon processing and bike assembly experts in Asia, but this is not always the case. Sometimes, bike companies decide to keep control of their bike assembly operations and locate them as close as possible to the geographical markets that they serve. In some other cases, the bike company is truly only a frame company and it depends entirely on its dealer network to build the bikes. This is especially true for low-volume series, that usually - but not always, encompasses the higher-end spectrum of bicycles. In some cases, within a same family of high-end bikes, some are assembled in Asia, some within the premises of the bike manufacturer and some others at select bike dealers. For the consumer it is difficult to tell which is the case, and, as a result, can be deceived by marketing departments.

The “Make or Buy” business decisions stand valid in any industry and especially so in the bicycle industry where some of the processes are very capital-intensive and some others are labour-intensive. Based on the vision of the company, its market positioning, its technical and financial capabilities, decisions of full or partial outsourcing are made. Of course, the financial break-even point is always a business consideration in such cases and this is where labour wages, transportation costs, capital investments and custom tariffs and duties come into play. In the vast majority of cases, except a few micro frame-builders, carbon processing is located in either Taiwan or China. Our White Paper Issue 5.0 will shed some light about why those 2 countries have naturally become the worldwide powerhouse of carbon processing in general, and especially so for the sporting goods industry, including bicycle frames. See here (http://www.viteess.com/pdf/Factory_chart.pdf) for a very interesting Factory and Supplier Guide for the 2009 US Market. The state of the US market is very much a picture of the global situation.

In the case of Viteess, we chose to outsource the carbon processing of our frame to a manufacturing partner while maintaining oversight of the engineering and quality control processes. To do so effectively, we have located one of our Engineers in Hong-Kong, which provides us a fantastic level of control over the Asian component of our operations. We have also chosen to keep the build operations internal, and in Canada. The second part was absolutely necessary to support our custom built-to-order no-inventory business model.

To ensure that the bike built is completely aligned with the needs of the given rider (see Viteess White Paper 4.0 for more info) we chose to build our bikes following a built-to-order model, also called Just-In-Time (J.I.T). Much time spent developing similar supply-chain models for BMW, Audi and Toyota among others are giving us the know-how needed to execute it effectively.



This J.I.T strategy allows us to build and tailor the bike at the last possible minute, thus removing any type of uncertainty in terms of carrying an inventory of assembled bikes that might not effectively match anyone's needs. It is a common practice among the best manufacturers in other industries, from automotive to computer hardware, to organize the final assembly of their products as close as possible to the end-user. In the case of Vitess, our launch market is Canada and therefore we chose to build our bikes right here in Canada.

Given the fact that each Vitess bike is built according to detailed specifications, which are defined based on the unique needs and wants of each individual rider, through the hand selection of components, an in-depth fitting and biometrics analysis session and a unique offering in terms of visual identity, it was difficult for us to do any other way.

This is why, unlike any other premium brands, there is no bike model to choose from. Each Vitess bike is built for a unique rider.

