

# FedEx Small Business Center

## The Need for Speed: Hed Cycling's 30+- year Ride as a Global Small Business



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Hed Cycling, like the athletes it serves, has always had a need for speed.

The company started back in the 1980s, when visionary Stephen Hed created an aerodynamic disc wheel to help his triathlete girlfriend (and later, wife) Anne ride faster at her events. Other athletes saw the wheel and started ordering their own. Soon, orders were coming in from Europe, New Zealand and Australia.

"All of a sudden, we had to figure out how to ship our wheels internationally," explained Anne Hed, owner of Hed Cycling. "I didn't have anyone to teach me what to do, so I just drove the wheels to a FedEx location. At the time, I didn't even know that FedEx would pick up."

As the company grew, so did the needs of its customers.

"We were working with elite athletes who'd be competing in a foreign country. They'd call us because the wind changed directions, or they saw a storm coming in and the wheel they had wasn't the wheel they wanted to race on," Hed said. "We literally had to get them a different wheel by the next day, even though they were moving, too. Races, like the Tour de France, never stay in the same location."

Yet, Hed — and FedEx — always delivered.

"With FedEx, I could track the package and follow it through the process until it was signed for by the athlete," Hed said. "From the beginning, I've been 100 percent solid with using FedEx to get wheels to my athletes because I know they'll get there."

### Turbocharging the Export Process

Hed started getting so many calls from athletes in specific countries that shipping individual orders, containing one or two wheels, became inefficient. It was time to take Hed's international business to the next level.

"When we had a high volume of requests from one area, we found a distributor in that country, so we could send larger, consolidated shipments through FedEx," Hed said. "We started with New Zealand and Europe — areas that already had high customer demand — and expanded to other countries from there."

Today, international sales account for 40 percent of Hed's overall business. According to Hed, FedEx not only speeds the products to their destination, but also continually works to make the export process faster, easier and more automated.

"I remember the days of handwriting forms in triplicate. You had the origin papers, documenting where the product's starting from, whether it's manufactured in the United States or not, and a lot of other variables. You couldn't just say, 'Our wheels are made in Minnesota and we want to ship them to Japan,'" Hed said. "The export declaration forms were very extensive. It would literally take me an hour per order."

Now, the process is automated through FedEx® Global Trade Manager.

"The process is so slick now; the software has really evolved," Hed said. "It basically remembers you, your customer, and all the harmonized and tariff codes. Everything is taken care of, from customs and entry duties to taxes. A couple of mouse clicks and your forms are ready. What used to take a very long time is almost effortless now."

Hed uses FedEx International Economy® whenever possible, which gets the containers to their destination in three to five days.

"That's really our preferred international shipping method. But, we're also using FedEx International Priority® a lot, especially with our new bike frames, which gets them to Canada the next day for painting," Hed said. "We like the fact that FedEx gives us options, depending on how fast the customer needs the product."

### Connecting with a Global Supply Chain

Although Hed manufactures its wheels and bike frames in the U.S., the company imports some wheel components from Asia.

"We import thousands of rims and hubs every year, which come over by container every month," Hed said. "We use FedEx Trade Networks to manage these shipments, whether we're shipping by air or sea. They coordinate the transport through all the various carriers and we get visibility throughout the shipping process. Since we need the parts to make some of our wheels, it's critical that these arrive on time."

According to Hed, the biggest challenge with importing is timing the shipments correctly.

"You want to make sure that the rims and hubs come in the same container, and you want to make sure you fill up your container as much as possible to control costs," Hed said. "Even with an agent, this doesn't always work out. Sometimes the rims are ready, but the hubs aren't ready, and the container is leaving, so you have to decide what to do. That's just a part of running a global business."

### Staying Competitive in a Fast-paced World

Today, after more than 30 years in business, the company known for making faster bicycle wheels shows no sign of slowing down. Every year, Hed keeps innovating, increasing sales and finding new ways to compete in a global market.

As it was in the beginning, speed is still a big factor.

"Back 15 years ago, if you could order something and get it on your doorstep in two days, that felt like a miracle. Now, all of that's changed. To be able to compete with other wheel companies out there, we have to not only make a fast wheel, but provide fast delivery," Hed said. "If a customer calls and needs something quickly, most anywhere in the world, we can tell them, 'Don't worry, we'll send it with FedEx,' and, we know it will get there. That's a competitive advantage."



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