



## Art & science

**Montreal-based Guru crafts high-tech products one frame at a time**

*By Cameron Elford*

It is a story now so often repeated that it has become almost cliché: small company sets up shop in a garage, hits upon a winning formula and grows into an innovative category leader. Think Trek or Google or Microsoft. And while Guru, a bike manufacturer based in Montreal, Canada, remains a relative niche player within the bicycle industry, the company has defined itself as one of the leading custom-frame manufacturers, producing high-quality road and tri bikes ridden by some of the sport's top athletes.

Begun by now-president Tony Giannascoli, a McGill-educated engineer, in 1994, Guru today produces over 2500 hand-crafted bikes per year in its Montreal-based facility, with more than 30 employees managing every step of the production process from taking dealer orders (based on customer measurements and preferences) to cutting and laying up the carbon fiber (or welding ti or aluminum) to painting and finishing the final product—a vertically integrated production process relatively unheard of in the bike industry, which now relies heavily on off-shoring production to Asia to take advantage of the region's low-cost labor environment—but giving up a degree of control over production in the process.

Giannascoli built frames for himself and his friends in the early to mid-1990s before formally launching the brand as a going concern, only to receive a quick, bru-

tal lesson in marketplace dynamics. “By 1997 it was clear that the company wasn’t sustainable out of a garage,” says Giannascoli. “But we lost shirts after our first year. We were going to file for bankruptcy, but we had a great second year.” Then, in 2000, the still relatively obscure brand hit the big time when Canadian Simon Whitfield rode a Guru to a gold medal in triathlon’s first Olympic appearance, in Sydney, Australia.

Although tri bikes now take up 50 percent of Guru’s production capacity and the brand is well known within the sport, with its small-batch production process the company remains focused on the high-end market with no desire to go head to head with industry titans Trek, Cannondale and Specialized, who have much deeper pockets and broader product lines but largely ignore the custom segment Guru targets.

“All our bikes are handmade one at a time,” says Guru director of marketing Rob Rossi. “This creates a natural cap on production volume. The essence of the company is to make bikes here and keep control over quality and leverage the custom platform. The fact that it’s all done here means I don’t have to wait for six weeks for a sample to come from China. I can go downstairs and see if a concept is working.”

For the consumer, however, this means no instant gratification and a higher perceived degree of risk, with no tangible product to quickly bundle into the car. Still, once you’ve ridden a demo bike and a dealer has sent your specs to Guru, you’ll receive your custom frame within just four weeks—a quicker turnaround than many athletes are used to for backordered stock products, let alone a complete custom bike.

## STRATEGY A KEY TO SUCCESS

Often, businesses fail as a result of their inability to articulate a corporate strategy—a collective sense of vision that takes into account the organization’s competitive advantages and market opportunities—or a company can flounder if its strategy doesn’t filter down to (or is inconsistent with) its structure, its operations, its distribution, its marketing and communications efforts and its culture—or if the message is viewed as contrived or inauthentic by the marketplace.

Think Sony, whose successful corporate strategy is that of a fast follower, allowing other companies to forge the bleeding edge in terms of product-line innovation or market expansion but then quickly rushing in with high-quality products if the venture appears successful. On the other end of the spectrum think AOL, a media behemoth whose rapid growth and short-term strategic focus undermined its ability to foresee or react to a changing marketplace in which users became increasing Web-savvy and broadband connectivity was quickly supplanting dial-up.

In Guru’s case, the relatively small company has developed a surprisingly robust strategic focus that considers not only the organization’s competitive advantages: North American production, customizable products and a nimble, innovative culture; but which also identifies the strengths and weaknesses of its competitors while aligning its design, production and marketing efforts and dealer base to efficiently deliver high-end custom bikes to the consumer—and partnering only with those athletes Guru feels represent the brand’s values and commitment to continuous improvement. Athletes including Joanna Zeiger, TJ Tollakson, Gina Kehr and Desiree Ficker.

“The mistake a lot of people make is to bet on a horse they hope is going to win,” says Rossi. You need to align yourself with those athletes who represent your brand story well. We want people who are picky and offer feedback. We listen and we keep listening, but we also have conviction about where we want to go. You can’t create a brand by running a daily referendum.”

“We’re about honesty and transparency, not smoke and mirrors,” echoes Giannascoli. “And about providing the right bike for every individual, something that fits and performs. We can’t deviate from that, and we will never produce stock bikes; it goes against everything we believe.” ▲