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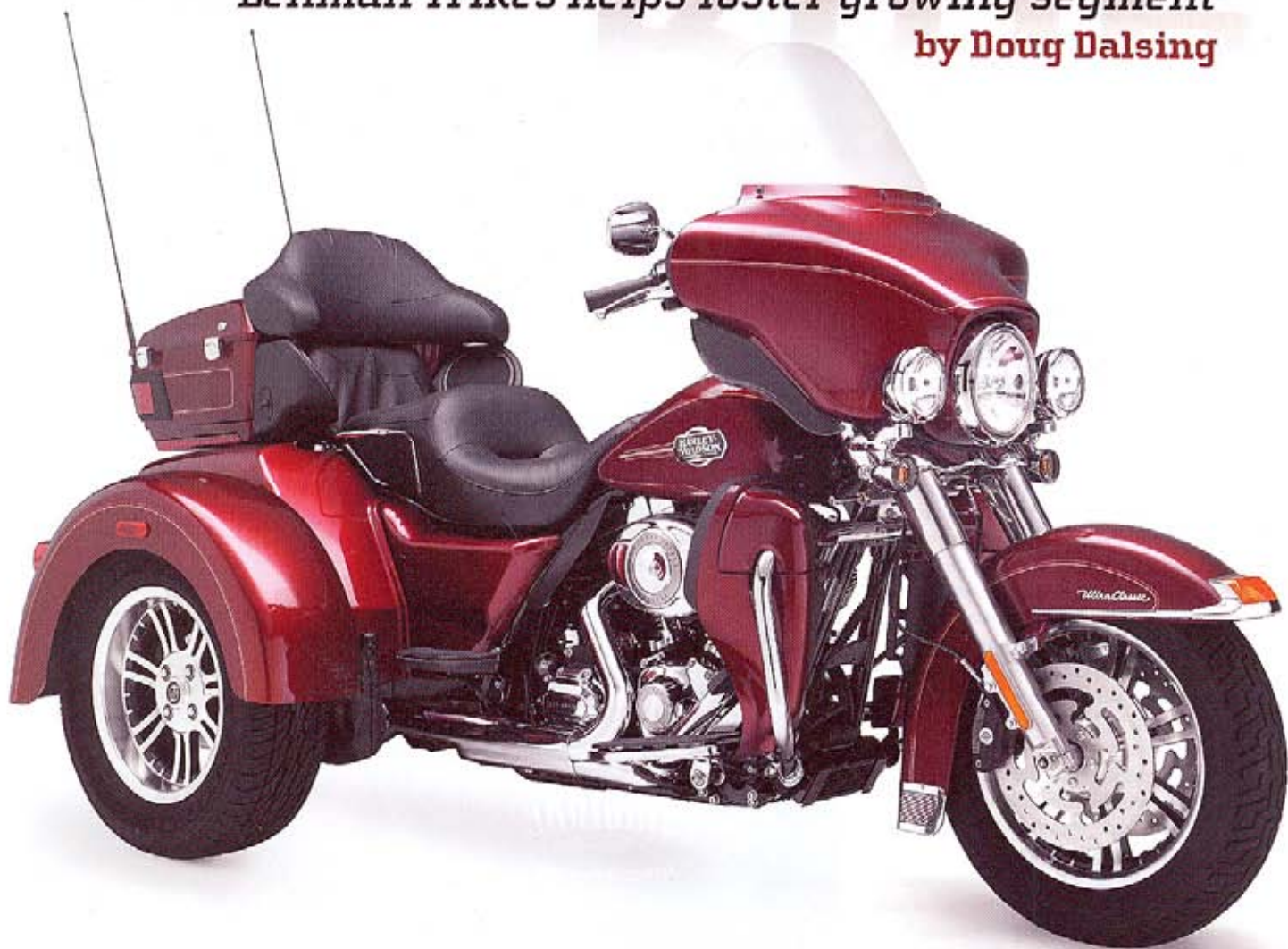
What's New For 2010?

➤ **Trike Tale:** Learn About This Growing Segment and its Forerunner, Lehman Trikes

TRIKES Rule

Lehman Trikes helps foster growing segment

by Doug Dalsing



After Rod Yanagida teamed up with Lehman Trikes in 1999 for a booth at Honda's annual Wing Ding rally, he returned to his shop in Lincoln, Neb., with an empty trailer. "We sold two trikes, took in a trade and then sold the trade, too," he recalls. "It was the first rally where we went down with a load of inventory and came back with nothing and a suitcase full of money."

One of the most noticeable changes taking place in the powersports industry is the increasing popularity of three-wheeled motorcycles, and one of the leaders of this *three world* is Spearfish, S.D.-based Lehman Trikes. In 2001 the company generated more than \$12 million in revenue, and since then its annual revenue has nearly doubled to \$22 million in 2008. The dealer-direct company has seen its dealer base increase from about 100 two years ago to 130 today, and its business is focused primarily in the U.S. and Canada.

To get an idea of the arc of the trike segment in general, one can just look to the story of Lehman Trikes. John Lehman, the company's founder, built his first trike for his wife Linda in 1984. Working in his home garage, Lehman took the differential and metal body from a Chevy Vega and attached it to a Honda CB900 — he was able to sell it shortly afterward. Then Lehman went through a cycle of building and selling trikes customer-direct, while Lehman Industries was started the following year. Eventually, though, U.S. dealers wanted in on this cottage industry, and the first one to sign up was Creasy's Honda of Lexington, Tenn., in 1991.

Since then, Lehman Industries transformed into Lehman Trikes, Inc., and the dealer base has, of course, blossomed. Gone are the days of selling trike conversion kits one at a time to anybody that made an order, and here are the days of Lehman Trikes selling products exclusively through its dealer network. Hands down,

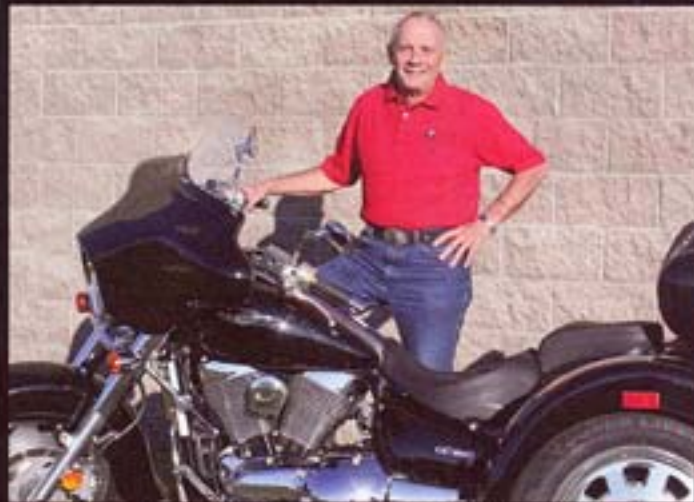
the trike segment and its supporters have legitimized this practical — and in some cases flashy — ride. “The whole (trike) industry got a whole lot more professional about the time we moved in,” Yanagida says, a Lehman dealer since 1998. “Before it was like ordering from a JC Whitney catalog.”

Trikes are opening new markets for dealers across the nation, and fueling the segment’s growth for the past 20 years has been the ever-aging baby boomer generation. It’s obvious that motorcycling requires many skills — balance paramount among them — and these skills simply decrease with age, but baby boomers don’t want to stop riding, so a trike is a logical progression. “As they matured, they’ve owned several motorcycles over the past 15 years,” says Clay Strilchuk, sales and marketing manager at Lehman. “They’ve gone from their cruisers, through the custom stage, through the luxury touring bikes, and the trike is just the next step for that same group of riders that has made this business grow so quickly over the years.”

But one doesn’t just have to be old to show interest in a trike. Randy Weaver, owner of Huntley, Ill.-based Randy’s Cycle, has been a Lehman dealer since 1996, and he’s seen a lot of trike interest come from women. “A lot of times, women riders can’t reach the ground,” he says. “That’s been a problem for bikes like the Sportster — some women just can’t hold them up, but a trike totally takes that issue away.” Not only are the doors open to buying an introductory bike like the Sportster, but now any female rider can purchase a large touring bike like a Gold Wing, which, of course, brings better margins. “They can ride the biggest or the best, or the smallest if they want,” Weaver adds.

Another market for trikes has been disabled riders, both those new to motorcycling and those who thought their riding days were over after losing a limb or contracting a debilitating disease. Both Weaver and Yanagida include amputees in their respective trike market. Yanagida has even sold a trike to an individual with vertigo, further proof that these machines bring with them a market thus far closed to motorcycle dealers.

Trikes are also becoming a form of conspicuous consumption for consumers — Lehman lists a price range of \$17,000 to \$40,000 on its website for its trikes — which should be music to the ears



Ken Hines became Lehman's president in July and was subsequently named CEO in October.



John Lehman built his first trike so he and his wife Linda could ride together. Here Linda's pictured on Lehman trike No. 2, a Gold Wing — John was able to sell trike No. 1 very soon after building it.

of dealerships operating in an affluent market. “It’s still not the norm yet,” Yanagida says. “It’s not an inexpensive bike. Everyone knows now that if someone shows up on a trike, that rider has dropped some chips.” Lehman is selective in signing up its dealers, which helps its products remain exclusive. For that reason, Lehman Trikes president and CEO Ken Hines believes his company gives its dealers a rare opportunity to sell a motorcycle. “You’re not going to find ten (Lehman dealers) in every state,” he says. “By positioning these vehicles as something customers can’t find everywhere, dealers get the opportunity to make a sale that not every dealer in their area has the ability to make.”

One thing that sets Lehman Trikes apart from other trike kit manufacturers is its proprietary “No Lean” suspension, which features a differential rear-end with internal solid axles. This gives the Lehman swing-arm a one-piece, reinforced design. While cornering, a Lehman swingarm keeps a trike’s three wheels firmly on the pavement. In 1995, Weaver began touring facilities of various trike kit manufacturers in the U.S., and he test-drove a product from each company. He eventually signed up with Lehman specifically because his Lehman test-drive “had more stability and felt more comfortable.” Other trikes he tried would “lean away” from turns, similar to the way three-wheeled ATVs handle; he likens a Lehman trike’s handling to driving a sports car.

The future is looking bright for Lehman, to say the least. In July, Harley-Davidson unveiled the Tri Glide Ultra Classic, which is being co-produced with Lehman in its Spearfish, S.D., plant. Lehman is providing H-D with components, paint and conversion services. Also in July, the company unveiled the CrossBow, a luxury tourer based on Victory Motorcycle’s Vision model. Plus, Lehman Trikes has vowed to keep pursuing relationships with other OEMs and to expand its dealer base.

The growth of Lehman Trikes means we should all have a better chance to keep selling and riding motorcycles beyond an age that has typically signaled its end. “Riding motorcycles is like hunting, fishing and golfing,” Yanagida says. “You want to do it as a kid, you want to do it as an adult, and you want to do it until the day you die.” With more trikes on the road, it’s looking like we’ll get that chance. ☐