

# How the company harley davidson implemented the concepts

[Business](#)



Manufacturing Just-In-Time: JIT inventory is the driving force of Harley's quality-improvement program. JIT works on a demand-pull basis and seeks to eliminate all waste and activities which do not add value to the product. Suppliers of Harley had to implement JIT into their production process in order to compliment Harley's system.

Previously, Harley utilized a complex, computerized inventory system, Material Requirements Planning, which was based on maintaining high levels of stock, to offset any manufacturing problems, so the assembly line would not be halted. This system was inefficient because it did not address the manufacturing process problems. This is a typical problem with many traditional firms, where planning becomes the focus. Since the focus for traditional firms is planning rather than control, the result is to try and improve planning for next time. Firms then end up not executing these plans but rather planning and re-planning. With the lean approach the focus is on control.

Procedures are kept simple , visual and made as routine as possible. With JIT, as each problem is exposed, you are forced to identify its cause, fix it, and move on to the next problem that is revealed. Although JIT system had top management support, without full employee participation in the planning and implementation, Harley's JIT would not have been effective. Continuous Improvement Continuous improvement demands involvement from employees. Harley's management aligned employees motivation with company goals.

All employees take part in a gain-sharing program and are paid cash incentives for attaining and maintaining quality, profitability and product delivery goals. Harley Davidson has an untypical relationship with its union. The union has considerable control over what kind of work is outsourced to other companies. Hence allowing the union to create a job security by choosing the work that is done in-house. Employee Involvement Harley's is a learning and improving company.

Open communication exists between all levels of employees. Everyone is expected to understand their roles and the consequences their roles contributed to the company. But to develop employees to a greater degree, management had to get them to understand the business environment of the corporation. Harley wanted the ability to develop processes and people which would ensure employees would have the capacity for rapid, effective change based on an understanding of the whole business environment in which they worked. Individuals needed to have a shared vision of the company values. Management needed to earn the respect and trust of their employees.

This level of commitment allows Harley to switch to self-managed teams. This created semi-autonomous workgroups, who were cross-trained and could set their own work schedules. Harley now has a Harley Davidson Learning Centre. Improved Process Harley implemented a continuous flow process; "U-form" lines were used and these lines consisted of 1 to 4 people working together to produce a finished part. The group had containers at the

starting end which held the raw materials and products and were taken through the U-line, eliminating a need for a stock room.

The “ U” shape made access easier and also took up less floor space. Each manufacturing department has a number of these “ U-lines” arranged on its manufacturing floor. Therefore, many different types of products can be made at one time. The original “ batch” took six weeks to four months to produce a product, now it can be accomplished in just minutes with the continuous flow methods. A reduction in lead time, inventory, and defects greatly improved the quality of the merchandise.

The new system also allows engineers to improve methods more rapidly and effectively. Information Systems Service is a huge focus for Harley. H-DENET, is a technology advanced, web based communication and collaboration environment which is it’s the latest customer initiative. It combines all of the company’s value chain to offer a round the clock service environment. It gives dealer instant and direct access to pricing and availability checking for some 90, 000 parts, accessories and general merchandise items, in addition to online service bulletins and other technical information about motorcycles. Business Strategy Harley considers its strength to be in building relationships with its dealers and motorcycle owners.

When a person buys a Harley-Davidson motorcycle, they receive a free 1-year membership to the Harley Owners Group (HOG), simultaneously it keeps the company close to its customer. Harley executives learn from their customers by maintaining a database to track consumer desires.

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