

Harley davidson and his company



**ASSIGN
BUSTER**

1. Identify the current strategic aims and objectives 2. Undertake an evaluation of the component parts of a strategic plan 3. Analyze the factors affecting the strategic plan

The history of Harley-Davidson began in 1903, in a 10' x 15' shed located in the Davidson family's Milwaukee backyard. The Davidson brothers - William D. , Walter, and Arthur - and William S. Harley crafted their first motorcycle using the best tools they had available - mostly their hands and their ingenuity. Since that time Harley-Davidson has learned many lessons on how to operate a business.

We are focused on providing our customers with not just a quality product, but also an overall experience. Our mission statement is as follows: honesty, integrity and personal growth in all of our dealings with stakeholders. Our values are the rules by which we operate. At Harley-Davidson, we are equally committed to a corporate vision that mandates how we run our business. Within this vision we emphasize the relationships that we deem crucial to our success, including our relationships with customers and suppliers. Our vision states: HARLEY-DAVIDSON, INC.

IS AN ACTION-ORIENTED, INTERNATIONAL COMPANY, A LEADER IN ITS COMMITMENT TO CONTINUOUSLY IMPROVE OUR MUTUALLY BENEFICIAL RELATIONSHIPS WITH STAKEHOLDERS (CUSTOMERS, SUPPLIERS, EMPLOYEES, SHAREHOLDERS, GOVERNMENT, AND SOCIETY). HARLEY-DAVIDSON BELIEVES THE KEY TO SUCCESS IS TO BALANCE STAKEHOLDERS' INTERESTS THROUGH THE EMPOWERMENT OF ALL EMPLOYEES TO FOCUS ON VALUE-ADDED ACTIVITIES.

Doing Business With Harley-Davidson Our vision is our corporate conscience and it helps us to eliminate short term thinking,

such as "cashing in" on the intense demand for our motorcycles by giving quantity precedence over quality to save a few dollars per unit.

It also encourages every employee in our organization to be acutely aware of his or her role in satisfying our stakeholders. Harley-Davidson has become the world leader in the super-heavyweight (850cc+) motorcycle market because of our unwavering commitment to continuously improve upon the superior quality of our products. This quality commitment is built on the satisfaction of each and every customer, internal and external, including everyone from our production line employees to our end users.

This belief is captured within our quality policy statement: HARLEY-DAVIDSON IS COMMITTED TO CONTINUOUS IMPROVEMENT TO REDUCE WASTE, DEFECTS AND VARIABILITY IN EVERYTHING WE DO, WHILE STRIVING TO MEET / EXCEED CUSTOMERS' EXPECTATIONS. It is the goal of Harley-Davidson to satisfy our customers by not only meeting, but also exceeding their expectations and by giving them superior value for their money. We can accomplish this only if you, as a Harley-Davidson supplier, embrace our company's values and commitment to quality to the extent that we do.

Our hope is that you will see reward in satisfying our customers, which are also your customers. Please remember you are not simply selling your products to Harley-Davidson, you are selling them to our customers.

1. Apply a range of strategic analysis tools to audit progress towards strategic aims and objectives
2. Review and assess the expectations of all stakeholders and their influence upon the organizational strategy
3. Analyze, interpret and produce a structured evaluation of organizational strategic position

Harley Davidson has always been known for its differentiated products that have continuously stood out from the norm. This has a lot to do with strategies Harley uses to promote its products and services. Some of the key strategies used throughout 2013 were the promotion of its 110th Anniversary Special Edition Motorcycles and the worldwide Open Road Tour used to advertise their current production line. The stunning 2013 model 110th Anniversary Harley-Davidson motorcycles, which feature rich new paint schemes and special 110th Anniversary identification has been an instant success.

Every 2003 motorcycle in the line-up has been designated a 110th Anniversary model. The company has extended the model year to 14 months to give even more customers the opportunity to own a piece of Harley-Davidson history. The Anniversary celebrations began back in late 2011 as the Open Road Tour made its way to Atlanta, Baltimore, Los Angeles, Toronto and Dallas/Fort Worth. The festivities then traveled overseas to Sydney, Tokyo, Barcelona and Hamburg. Billed as the world's largest rolling birthday party, the Open Road Tour brought the Harley-Davidson experience full throttle to riders and enthusiasts around the world.

Receiving worldwide exposure at minimal advertising costs, the Open Road Tour has been a complete success, thus allowing Harley's unique and differentiated products to be seen up close around the world. Additionally, Harley-Davidson established the Harley Owners Group (HOG) in 1983 in response to a growing desire by Harley riders for an organized way to share their passion and show their pride. By 1985, 49 local chapters had sprouted around the 12 country, with a total membership of 60, 000.

Now in 2013, the promotion of the 110th Anniversary has allowed the membership to include over 1200 chapters and close to 800, 000 members. HOG has played a major role in the success of the 110Th Anniversary celebration. This one of a kind, unique strategy which started 20 years ago by Harley and its members, has grown tremendously and will continue to play an important role in the future success of the company. Strategies such as these implemented by internal management and carried out by dedicated customers and members are one of the most precious assets a company can ever dream of.

That is the Harley way!! Furthermore, the key strategies relating to the distribution channels have allowed Harley-Davidson the world-wide exposure needed to market its product with tremendous success and demand that has always seemed to exceed supply. To date, there are more than 1300 independent dealers worldwide. Over 630 are within the United States alone. Recognizing that to grow sales will take more than just an increase in capacity, the company's aim has been to add 20-30 dealers per year to grow the dealer network, with an increase of roughly 5-10 domestically and the balance internationally.

In addition to its dedicated dealer network, the company also uses smaller, occasionally temporary retail outlets in high-traffic areas, such as airports, to sell accessory products like apparel, collectibles, and licensed products. This gives Harley the additional exposure needed without having to spend millions on other forms of advertising. In order to effectively analyze Harley Davidson, we wanted to present a breakdown of the different price ranges

offered based on the current list of the five classes of heavyweight motorcycles produced under the Harley Davidson name. Business

Harley-Davidson, Inc. was incorporated in 1981, at which time it purchased the Harley-Davidson® motorcycle business from AMF Incorporated in a management buyout. In 1986, Harley-Davidson, Inc. became publicly held. Unless the context otherwise requires, all references to the " Company" include Harley-Davidson, Inc. and all of its subsidiaries. The Company operates in two segments: the Motorcycles ; Related Products (Motorcycles) segment and the Financial Services (Financial Services) segment. The Company's reportable segments are strategic business units that offer different products and services.

They are managed separately based on the fundamental differences in their operations. The Motorcycles segment designs, manufactures and sells at wholesale heavyweight (engine displacement of 651+cc) Harley-Davidson motorcycles as well as a line of motorcycle parts, accessories, general merchandise and related services. The Company's products are sold to retail customers through a network of independent dealers. The Company conducts business on a global basis, with sales in North America, Europe/Middle East/Africa (EMEA), AsiaPacific and Latin America.

In 2009, the Company decided to exit its former Buell product line and ceased production of Buell motorcycles. The sale of remaining Buell motorcycle inventory to independent dealers and/or distributors was substantially completed during 2010. The majority of independent dealers continue to provide ongoing service and replacement parts to Buell owners. In 2010, the Company completed the sale of MV Agusta (MV). The results of

MV have been presented as a discontinued operation for all periods. The Motorcycles segment discussion that follows is specific to the Harley-Davidson brand unless otherwise specifically noted.

The Financial Services segment consists of Harley-Davidson Financial Services (HDFS). HDFS provides wholesale and retail financing and provides insurance and insurance-related programs primarily to Harley-Davidson dealers and their retail customers. HDFS conducts business principally in the United States and Canada. Harley-Davidson, Inc. , SWOT Analysis * Overview Harley-Davidson, Inc. (Harley-Davidson) designs, manufactures, and sells heavyweight motorcycles. The company markets, its products in North America, Europe, Asia/Pacific and Latin America.

The company's strong brand image, coupled with its wide range of products, helps it to be a front-runner in the industry. However, dependence on the domestic market and product issues are a few areas of concern to the company. Nonetheless, expansion in global markets, especially Asian markets, and launch of new models could ensure a strong future for the company. New emission standards for two wheelers and the prevailing competition could negatively impact the company's growth. Harley-Davidson, Inc. SWOT Analysis| Strengths| Weakness| Strong Brand Image| Broad Product and Service Portfolio| Focused Research and Development Activities| Product Recalls/Issues| Dependence on the Domestic Market| Opportunities| Treats| Global Expansion| New Product Launches| Restructuring Plans| New Emission Standards for Two Wheelers| Procurement of Raw Materials| Competitive Landscape| * Strengths

Strong Brand Image Harley-Davidson owns one of the strongest brands in the world, which helps it attract and retain a loyal customer base.

The company established a strong brand image with its motorcycles achieving iconic status and being ranked among the world's most valuable brands. Harley-Davidson has been continuously ranked among the top 100 global brands in the world. The company holds 55.7% share in the US heavyweight market; and is ranked No. 1 or No. 2 in the heavyweight motorcycle market share in nine countries across Europe. Harley-Davidson's motorcycles are known for their traditional styling, design simplicity, durability and quality.

The company achieved industry recognition for its high quality, best design, robust performance and unflinching customer confidence, loyalty and trust of its products and services. The Harley-Davidson brand has significantly contributed to the success of the company by building strong market recognition and a loyal customer base. Broad Product and Service Portfolio Harley-Davidson offers a broad array of products and services through its two business segments, namely, the Motorcycles ; Related Products segment and the Financial Services segment.

The company offers a variety of products in the motorcycle segment to cater to the various needs of its customer base. Harley-Davidson designs, manufactures and sells heavyweight touring, custom and performance motorcycles, besides a line of motorcycle parts, accessories, general merchandise and related services. Harley-Davidson is well known for its unique motorcycles. Its subsidiary, Harley-Davidson Motor Company (HDMC),

manufactures five families of motorcycles, namely, Touring, Dyna, Softail, Sportster and V-Rod.

These models are distinguished by their frame, engine, suspension, and other characteristics. The company shipped 233, 117 motorcycles in the fiscal year ended December 2011, comprising 39. 5% Touring motorcycle units, 39. 2% Custom motorcycle units, and 21. 3% Sportster motorcycle units. Through Harley-Davidson Financial Services (HDFS), the company offers a package of wholesale and retail financial services for its products, providing it a competitive edge in the motorcycles business in the US and Canada regions. HDFS financed 51% and 30. 4% of the new Harley-Davidson motorcycles retailed by independent dealers in the US and Canada respectively in 2011. HDFS provides wholesale financial services to Harley-Davidson motorcycle dealers, including floor plan and open account financing of motorcycles and motorcycle parts and accessories. These specific services provide a competitive edge to the company in capturing a higher market share and enhancing its bottom line. Focused Research and Development Activities Harley-Davidson has a strong research and development unit that facilitates innovation and attracts industry attention.

Its Product Development Center (PDC) undertakes the development of new and better quality products. The company spent \$145. 4m, \$136. 2m, \$143. 1m and \$163. 5m in the fiscal years ended December 2011, 2010, 2009 and 2008 respectively on research and development activities. Harley-Davidson's continuous focus on R; D helped the company in launching innovative products such as Softail motorcycles with 1584 cc engine with new features

such as new hand controls, a larger odometer, and an anti-lock braking system option.

Continuous research and development activity enables the company to maintain a leading position in custom and touring motorcycle market and develop products for the performance segment. Focused R; D activities enable the company to offer innovative products and improve its operational performance. * Weaknesses Product Recalls/Issues Product recalls/issues not only affects the company's current revenue, but could also affect its long-term performance by reducing customer confidence.

In February 2012, Harley-Davidson launched a repair service campaign to fix faulty brakes in about 1, 228 units of 12 models, including the Road King and the Electra Glide Ultra Classic. In October 2011, the company initiated a world-wide recall affecting over 308, 000 units of its Touring, CVO Touring and Trike motorbikes. The company made this recall owing to a potentially dangerous glitch with their braking systems, where in the problem with a switch on the bikes could cause the brake lights to stop working, or may even cause the rear brakes to fail.

Such recalls would hamper Harley-Davidson's brand image and have a significant impact on its product sales. Dependence on the Domestic Market Harley-Davidson focuses predominantly on the US and generates a major part of its revenue from that market, which could increase its business risk. For the fiscal year ended December 2011, the company's Motorcycles business reported revenue of \$4. 67 billion comprising 67. 7% revenue generated from the US, 16. 8% from Europe, 4. 9% from Japan, 3. 3% from Canada, 3% from Australia and 4. 3% from Other foreign countries.

In 2011, its Financial Services business reported revenue of \$649.44m comprising 95.3% from the US, 0.7% from Europe and 4% from Canada. Such geographical concentration makes Harley-Davidson vulnerable to the risks of economic downturn in any single market. * Opportunities Global Expansion Harley-Davidson has huge opportunities for growth in the overseas market. In October 2011, the company opened a new permanent Latin America headquarters in Miami, Florida, the US. Through this new headquarters, the company can expand its focus on customers in Latin America.

In the fiscal year ended December 2011, retail sales of Harley-Davidson motorcycles from the international markets witnessed a rise of 6.1%. The rising demand in Europe, Asia, Australia, Latin America and Africa offers huge potential for the company. In 2011, Harley-Davidson completed its second CKD (complete knock down) assembly plant in India to further strengthen its operations in the Asia-Pacific region. In 2010, the company opened a 1,000 square meter showroom in Beirut. This is the first and only showroom in the Levant which includes six-station service facilities with staff trained by the company.

In a bid to garner a higher market share in these regions, the company already refined its business and marketing strategies that are attuned to local customer preferences. Focus on international expansion would help the company enhance its business aggressively and reap greater benefits. New Product Launches Harley-Davidson could benefit from its new product launches. The company intends to explore new methods to enhance its value

by introducing new products, which provide an edge over other players in the market.

In February 2012, Harley-Davidson launched two new motorcycle models, namely, the Seventy-Two and the Softail Slim, further strengthening its heavyweight custom offerings. In July 2011, the company offered its customers an H-D1, a comprehensive set of customization tools. In January 2011, the company introduced new Softail motorcycles with 1584 cc engine and through its Touring motorcycles line, the company introduced Electra Glide Classic, Road King, Road King Classic, Ultra Classic Electra Glide and Electra Glide Ultra Limited touring bikes.

The company's 2010 models include nine new domestic models of heavyweight motorcycles. New model launches could help the company sustain its leadership position in the highly competitive automotive industry. Restructuring Plans Effective 2009 - 2010, Harley-Davidson announced a series of restructuring measures, which focused on reducing administrative costs, eliminating excess capacity and exiting non-core business operations.

In 2009, as a part of the restructuring plan, the company consolidated engine and transmission plants, closed a distribution facility, discontinued the domestic transportation fleet, consolidated vehicle test facilities, and exited the Buell product line. In September 2010, the company's unionized employees in Wisconsin ratified three separate new seven-year labor agreements, which take effect in April 2012 when the current contracts expire. The new contracts would allow flexibility and increased production efficiency.

Harley-Davidson also repurchased expensive debt worth \$300m and is expected to save \$45m annually for three years. In December 2011, the company announced plans to cease its operations at New Castalloy, its Australian subsidiary producer of cast motorcycle wheels and wheel hubs; and source those components through other existing suppliers. This move was made in line with its overall strategy to develop world-class manufacturing capability throughout the company by restructuring and consolidating operations for greater competitiveness, efficiency and flexibility.

Such restructuring initiatives by Harley-Davidson are expected to improve its operational performance in the long-run. * Threats New Emission Standards for Two Wheelers Harley-Davidson could face increased challenges in its two wheeler business due to the stringent emission standards. According to Dealernews. com, motorcycle industry stakeholders in Europe announced plans to increase EURO 3 emission standards to more stringent EURO 5 standards by 2015. Association des Constructeurs Europeens de Motorcycles (ACEM) is likely to introduce EURO 3 standard for mopeds and Euro 4 standard for motorcycles by 2012.

It also proposed the introduction of more stringent emission test cycle, and EURO 5 standard for motorcycles by 2015. Such implementations might require the company to redesign its vehicles, which could result in increased operating costs. Failure to comply with the standards could result in penalties and affect its profit margins. Procurement of Raw Materials Harley-Davidson relies on suppliers to obtain raw materials and provide components for use in

manufacturing its motorcycles. It depends on a single supplier for certain of its raw materials.

Such a situation makes the company's business dependent on the ability of the supplier to deliver the ordered raw materials in time. The rising input costs could also have a major impact on the operational costs of Harley-Davidson. Increasing pressure of the costs of commodities leads to capacity constraints, lower production and financial distress to raw material suppliers. In case of a delay in receiving the raw materials, product delivery to its customers could also get delayed, which impacts its business and customer relations.

Competitive Landscape Harley-Davidson manufactures motorcycles in the US, Canada, Europe, and Asia. Many of the company's competitors have more diversified businesses and they may compete in the automotive market or all segments of the motorcycle market. Its motorcycle retail prices are generally higher than that of its competitors. If price becomes a crucial factor for consumers in the heavyweight motorcycle market, Harley-Davidson would be at a competitive disadvantage.

Moreover, its financial services operations face stiff competition from various banks, insurance companies and other financial institutions that may have access to additional sources of capital at more competitive rates and terms, particularly for borrowers in higher credit tiers. The company's failure to address and respond to these competitive pressures worldwide would have a material adverse effect on its market share.

1. Identify and develop a range of alternative strategic options to meet strategic aims and objectives
- 2.

Determine and justify the strategic option that meets the revised strategic position