



Harley-Davidson Genuine Motor Parts and Buell Service Parts Internal Survey

Purpose: The purpose of this survey is to gather information that will improve our ability to better serve stakeholders interacting with the Service Parts organization. Please take a few minutes and provide your top three answers to the questions below to help guide the Service Parts group in our quest for continuous improvement. Please email or return the completed survey to Greg Jansen by 03/14/08.

Strengths

1) List three strengths that you see within the Service Parts group.

Questions that might help you respond:

- a. What does the Service Parts group do well?
- b. Does the group have any advantages?

Answer:

Strength: Significant, in terms of size and resources, organization in place around the world with experience.

Strength: Reputation for having a large selection of quality Harley-Davidson parts

Advantage: The group has "inertia", an advantage as a result from having an organization in place. Effort can be directed toward responsiveness, not building the organization.

Weaknesses

2) List three weaknesses that you see within the Service Parts group.

Questions that might help you respond:

- a. What can be improved within the Service Parts organization?
- b. What is the group not doing that you feel it should be doing?

Answer:

Weakness: Size of the in place organization and the same "inertia" mentioned above also brings with it a bureaucracy that can be slow to respond.

Weakness: There are certain Buell parts issues that warrant a commercial approach that varies from what is appropriate to Harley-Davidson. The system is set up to operate, as designed, to respond to demand on a Harley-Davidson scale.

Idea: The group might designate a person to perform “commercial scope review” for each Buell part. This person/group would review stocking suggestions, annual velocity and inventory turn-over figures and suggest strategies to allow Buell, operating on a different scale, to offer a seamless, to the end user, parts supply chain.

Opportunities

3) Are there any favorable opportunities available for the Service Parts group?

Questions that might help you respond:

- a. What opportunities exist that will improve the Service Parts organization either functionally or financially?
- b. Are there any trends you are aware of that would assist the group?

Answer:

Opportunity: There is an opportunity to leverage the above idea to the collective benefit of both Harley-Davidson and Buell. One method might be to add an online component to certain Buell parts. There are certain parts that it is impractical to stock in every Buell dealer. A hypothetical example might be the P/N 23456-08K “Racer Dude” carbon fiber foot pegs. Whereas it may be impractical for each of the 350 Buell dealers to always have a set in stock, a customer’s need for quick gratification could be satisfied by having an online catalog that allowed customer to “order” the item, pay for the item, and have the item shipped to the dealer for pickup. Dealer credit number would be a default function of the customer’s zip code unless a valid VIN and dealer name code was entered.

The fact that this could be done with a relatively small, and manageable number of Buell parts at this time would allow the system to be honed for future deployment on larger scale items and perhaps the lessons learned would allow “rapid ramping” in the event Harley-Davidson decides to use such a system for certain parts.

Opportunity: The Buell service and parts manuals produced by the Technical Publications Group are among the finest in the industry. There is another opportunity to leverage Buells “cutting edge” image by maintaining a current, with cumulative updates, in a secure online area made available to qualified dealers and registered customers. One problem this would solve is that currently both dealers and customers who purchased printed manuals are unaware of updates. Buell dealers have the information available via H-Dnet but experience has shown many dealers, presumably as a result of handling fewer Buell parts, do not have requisite familiarity. In addition, it’s a fairly common, and perhaps unique to Buell, that customers simply provide the dealer with a part number and ask the dealer to order it. It would be to the benefit of all the

stakeholders to have a vehicle whereby we could assure the dealer and customer had the most up to date information. This information could be controlled in a number of ways. Perhaps when a customer purchased a printed manual there was a www.buell.com license number (like a Microsoft product activation code) that the person could use to go to a page on the Buell website, agree to certain terms and conditions and “subscribe” to current information. By putting a system like this in place we would also have created a framework that could be used for updating other critical information, like correcting errors in owners manuals in an efficient fashion.

Threats

4) Are there any internal and/or external threats for the Service Parts group?

Questions that might help you respond:

- a. Are there obstacles to prevent the Service Parts group from being successful?
- b. Is the Service Parts group staffed effectively to exceed company needs?

Answer:

The greatest single threat, from a Buell perspective, is the “NIH” thinking that may impede innovative processes. The way the world communicates and moves information has changed dramatically in the past 10 years, our parts processes and procedures, for Buell customers, still require a customer to travel to a dealer, order and pay for a part and wait for the part to arrive. Many dealers (Chandler, AZ) will not accept a credit card part order on the phone and require the customer to come to the store. The single greatest threat to the study of a new and innovative components to the existing system is the “that’s the way we’ve always done it” thinking. The same economies and processes that work at Harley-Davidson quantities are unresponsive and cumbersome at the quantities associated with Buell. The fewer number of Buell dealer serves to exacerbate this.

EFB: I am not familiar with their staffing. I’d suggest adding or designating a group to evaluate and look into new technologies, quite literally a group of “change agents” challenged with “how good can we do this?” The huge opportunity now, in a world where there are many “good” motorcycles is to create not a great motorcycle, but t great company. The best example is Domino’s Pizza. Ever seen Dominos say ONE word about their pizza? . . . NEVER. They sell SERVICE . . . “in an hour or it’s free”. The motorcycle catches their eye but it is service and responsiveness that makes customers for life. In fact, I’d have (although you know how I think) a 1-800-Buellparts hotline staffed by a person who had all the updated manuals, knew fitment, could find stock and tell you if a 1997 M2 seat will fit a 1998 S1WL.

Additional Comments:

The www.buykawasaki.com was the first initiative I became aware of to get parts information online and available to the customer. It allows an owner (dealers use it as well) to enter year and model information and select a parts catalog. The customer can “virtually thumb” through the catalog, view the parts just as they would in a printed manual and order simply by pointing and clicking on the parts. I am unaware if they are still doing this and confess I never ordered parts that way. But Harley-Davidson could do much good for their “stuck in time” image by implementing such a process.
