

## Harley Davidson - Is There a Case for Protection?

1. Describe Harley-Davidson's international business strategy. Would you consider Harley to be a multinational corporation?

Harley-Davidson's main international business strategy is to bring a piece of the American dream overseas. This is their advantage over other motorcycle companies. In order to take advantage of the global market, they have created different marketing strategies within different cultures to appeal to potential customers. Not only have they developed ads specifically for different markets, they have even gone so far as to customizing their marketing approach to a specific culture. For example, in the Japanese market, Harley "offers shinier and more complete tool kits than those offered in the United States" (pg. W28). Harley has influenced German and Japanese cultures with their products and can definitely be considered a multinational corporation. They not only have major influences in these two countries, but Harley also has a joint venture with Porsche in Germany to further expand their horizons in the industry.

2. If you were Harley's top management, in which regions of the world would you consider expanding?

Many regions in the world have already pondered about the "American Dream" and wanting a part of it. Since Harley's main strategy is in response to this, they can expand basically all over the world. However, the most profitable would most likely be those regions that have a fast-paced society and in need of faster and better transportation. These cities often will be high-density cities, which entails enormous congestion on the streets. This is where the motorcycle can come in handy. It will be able to weave in and out of traffic and provide that faster transportation that people are seeking for. Not only will they be traveling faster, but they will also be doing it the "American" style.

3. Evaluate Harley-Davidson's decision not to produce overseas. What would be the advantages of overseas production? What problems might the company encounter if it does manufacture abroad?

The main reason my Harley has refused to produce overseas is because their main strategy is to promote the American dream overseas, and if these bikes were produced some where other than the US, then it wouldn't fully represent the American dream. It is very important to them to protect the authenticity of each bike with the "Made in the U.S.A" label. This unique character is their advantage overseas, and if they lost this, they wouldn't survive in the global market. However, producing overseas does have its advantages. Production costs can be lowered because the cost of shipping would not apply and perhaps some raw materials that they need are cheaper overseas than in the US. Overseas production also means shorter turnover period, because once again, shipping overseas is not needed. Although it would decrease costs and make production more efficient in that country, producing overseas also has its flaws. A major concern would be abiding to the foreign country's laws. Just because they've always done it this one way in the US does not guarantee that they are allowed to proceed to do the same in the foreign country.

4. Describe how Harley's management style may have changed over time. Use optional classical, human relations, and modern approaches in your answer. Check Harley's [Homepage](#) for information.

In the beginning, Harley's style of management was internally oriented, where they focused on themselves rather than their customers. This classic business approach would lead Harley into their fall in the market. After Richard Teerlink became the CEO, their management style changed completely: "The key was to know the business, know the customer, and pay attention to detail" (pg W27). This modern approach led Harley to focus on increasing quality and improving service to customers and dealers (pg W27). Keeping the traditional Harley look, and focusing more on their customers, they were able to slowly inch their way back up the market. To help with this process, their

focus on customer service/human relations led them to obtain feedback from their customers to improve their products and also to get new ideas.

5. Harley appears to have moved from providing a product (motorcycles) to providing a service (a way of life). Discuss how this movement from products to services may have affected the company.

This transformation first took place because Teerlink wanted to represent the “sense of adventure” they get from the bikes (pg W27). This led to marketing the bikes as “a way of life” which put more meaning into the bikes. They weren’t just motorcycles, but a way of life, the American life. H.O.G., was created to enforce this “way of life,” where Harley owners were able to ride with other Harley owners, creating a sort of a family. This family rode their bikes with pride; pride for the lifestyle that they had. Placing more value onto their products would appeal more to potential customers, and thus would help in expanding their marketing horizons.

6. What effect might Harley's movement overseas have on its potential management choice of Theory Z?

Theory Z is a management framework that emphasizes long-term employment and teamwork. By moving overseas, a positive affect on Theory Z can be obtained because their expansion will open up new jobs, opportunities and also increase production. This will consequently increase sales and thus stabilizing existing jobs. Furthermore, opening up more dealerships overseas will allow them to advertise their products and attract more customers. This would eventually lead to a stronger multi-lingual system in the company.

7. Locate five sources on the web that discuss early theories of management.

<http://www.nonprofits.org/npofaq/keywords/2y.html>  
<http://www.sosig.ac.uk/roads/subject-listing/World-cat/mantheor.html>  
<http://www.fact-index.com/m/ma/management.html>  
<http://www.city.ac.uk/artspol/theorymgt.html>  
<http://www.managementfirst.com/>