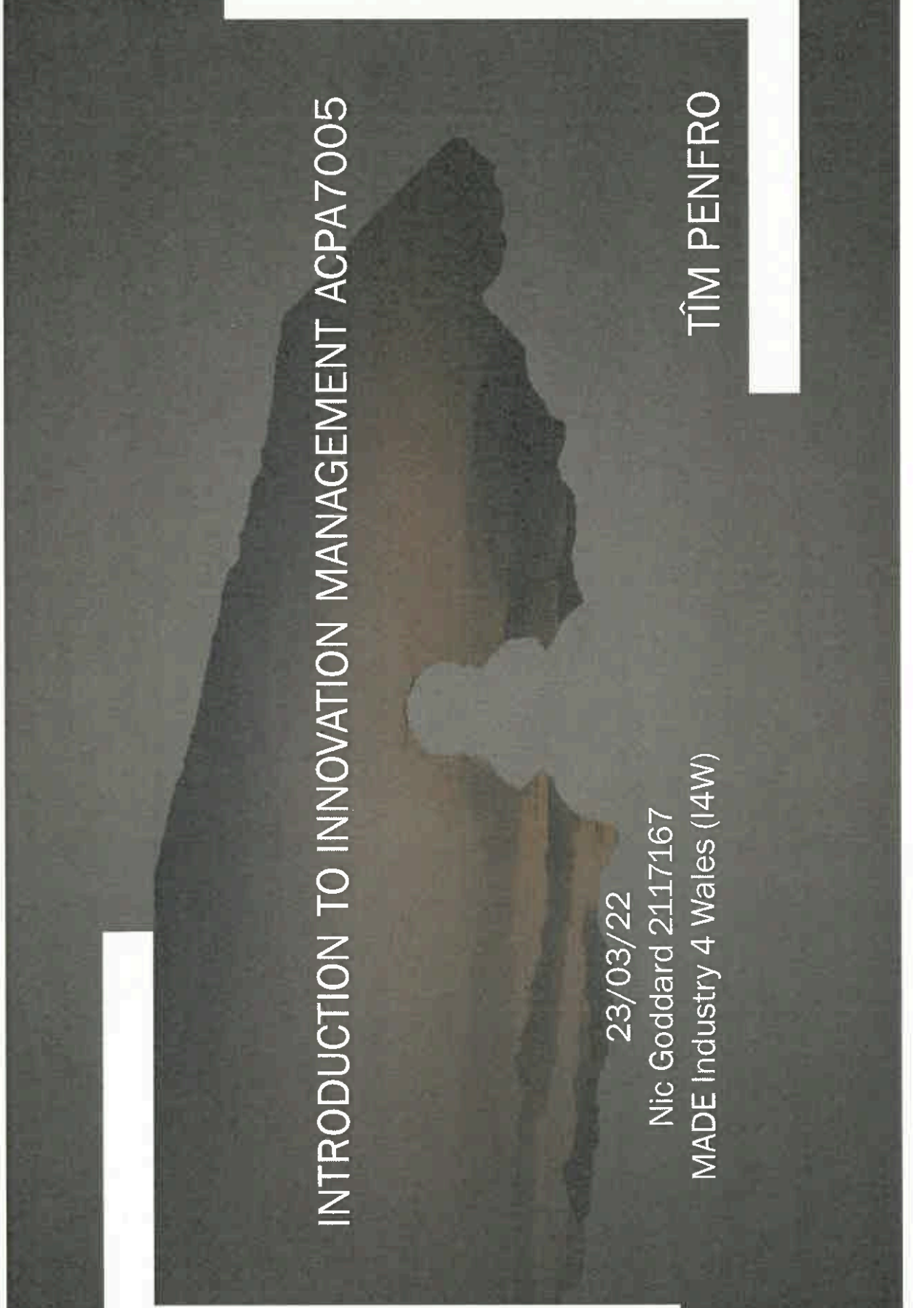


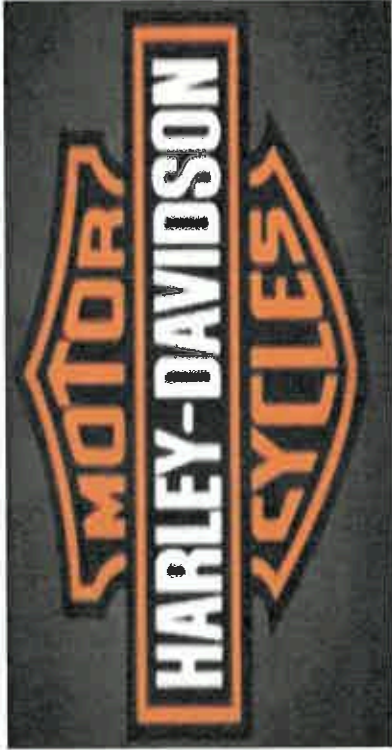


INTRODUCTION TO INNOVATION MANAGEMENT ACPA7005

23/03/22

Nic Goddard 2117167
MADE Industry 4 Wales (I4W)

TÎM PENFRO



Humble beginnings

1903 to 2019

Discontinued 24

Current 21

Range	Year	Generations	Range	Year	Generations
CLE	1979 - 1980	1	Electra Glide	1965 - Present	107
D	1931 - 1934	2	Dyna	1970 - 2016	124
EL	1936 - 1938	6	Trike	2008 - 2016	13
Fire/Rescue	2007 - 2012	2	Freewheeler (Trike)	2015 - Present	2
FL	1936 - 1952	2	Street Glide	1984 - 2016	33
Hummer	1955 - 1959	1	Ultra	1994 - Present	23
LiveWire	2019 - 0	1	Sportster	1967 - Present	213
Nova	1980 - 1981	1	Street	2014 - Present	7
RL45	1932 - 1936	1	CVO	2001 - Present	54
S	1948 - 1949	1	Road Glide	1995 - Present	29
Scout	1961 - 1965	1	Road King	1994 - 2016	50
Shrine	2007 - 2013	15	Softail	1983 - 2016	176
Sportster Streamliner	1970 - 1971	1	Firefighter	2001 - 2013	21
Sprint	1961 - 1965	1	Peace Officer	2002 - 2013	13
SST	1975 - 1978	2	Police	2002 - 2011	22
SX	1974 - 1976	4	Sport Glide	1982 - Present	8
Topper	1960 - 1965	1	Forty-Eight	2018	1
Tour Glide	1981 - 1987	2	Pan America	2021 - Present	1
UL	1938 -	2	Superflow	2017 - Present	1
VLD	1934 - 1936	2	FXDR	2018 - Present	1
VR 1000	1994 - 1995	1	Iron	2017 - Present	1
VRSC	2001 - 2016	39			
XLCR	1977 - 1980	1			
XR	1972 - 1978	1			

Autoevolution

(Autoevolution, 2022)

Innovation

The model opposite depicts 4 types of innovation as defined by Greg Satell

4 Types of Innovation



SOURCE GREG SATELL

© HBR.ORG

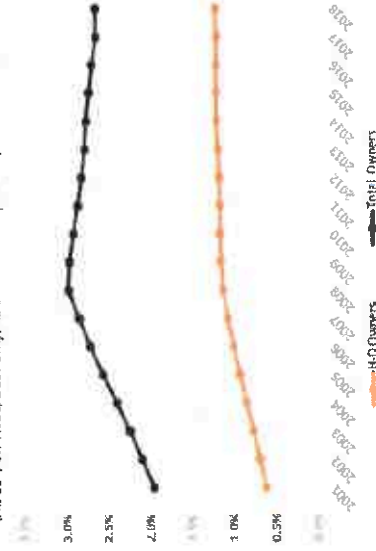
Four Types of Innovation

(Satell, 2021)

Urgency to change Trajectory

U.S. Motorcycling Participation

Owners of at Least One On-Highway Motorcycle
(All cc+, On-Road/Out Only) as a % of U.S. Population, 18+ Years Old



>601cc Addressable Market

H-D currently competes in segments that represent ~35% of the largest 601cc+ markets in the world



With More Roads, H-D will compete in ~85% of the largest 601cc+ markets in the world



Changing Global Consumer



Rider expectations changing



Urbanization and sustainability creating opportunity for new technology and products



The Global pace of change is accelerating and competition is fierce and robust international growth opportunities exist.

[More Roads to Harley-Davidson Presentation](#)

(Harley-Davidson, 2018)



MORE ROADS TO HARLEY-DAVIDSON 2017 to 2027



Set Goals and Create a Plan to

Launch 100 new *high impact* Harley-Davidson motorcycles.



Expand and Grow

Expand total Harley-Davidson riders to 4 million in the US.

Grow international business to 50% of its annual revenue, without growing the environmental impact.



Increase Revenue, Return on Investment in a Green Way

Deliver superior return on invested capital for HDMC (S&P 500 top 25%)

[More Roads to Harley-Davidson Presentation](#)

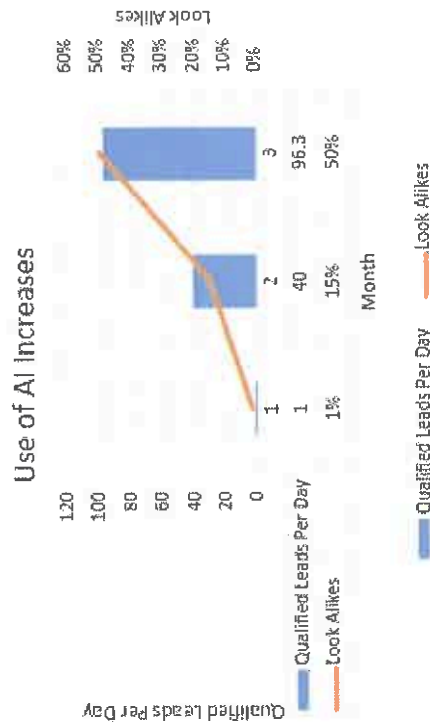
(Harley-Davidson, 2018)

New York Break Through

■ Percentage Point Increase in Enquiries



■ Percentage Point Increase in Look Alike Leads

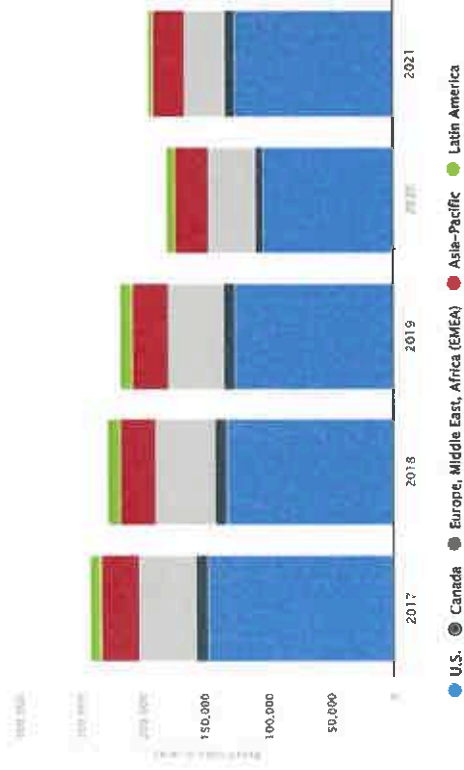


How Harley-Davidson Used Artificial Intelligence

(Power, 2017)

MORE ROADS TO HARLEY-DAVIDSON 2017 to 2027 Conclusions

Is the strategy Working?



Harley-Davidson - worldwide motorcycle sales by region 2021 | Statista

Statista (Carlier, 2022).

A person wearing a white lab coat and a stethoscope around their neck is holding a clipboard and looking down at it. They are standing in a clinical or hospital setting with a bed and medical equipment visible in the background. The image is dark and has a high-contrast, almost black and white appearance.

THANK YOU

Questions

2017 – 2027 More Road to Harley-Davidson

28/03/22

Nic Goddard 2117167

Pembroke Team

Presentation Content & Research Links

Introduction to Innovation Management ACPA7005

Assignment Presentation

Lecturer Alan Mumby

MADE Industry 4 Wales (I4W)

Contents

Table of Contents

Contents	2
Abstract.....	3
Assignment Aims & Objectives.....	4
Findings.....	5
Background Research Links.	6
Introduction Slide One	7
Humble Beginnings Slide Two	8
Innovation Comparison Slide Three	9
Change Slide Four.....	10
More Roads to Harley-Davidson Slide Five	11
New York Break Through Slide Six.....	12
Conclusion Slide Seven	13
References.....	14

Abstract

HARLEY-DAVIDSON MOTORCYCLE COMPANY planned strategically to enhance its attraction within a competitive market with a focus on the next generation of Harley-Davidson riders globally. Since 2008, the Harley-Davidson market had remained flat with little to no signs of growth therefore something had to change (Harley-Davidson, 2018). This document will look at the strategic objectives set out by Harley-Davidson to challenge the market and increase its revenue and global position.

Assignment Aims & Objectives

To look at company specifically within the last five to ten years involved in manufacturing and product development of service provisions which have taken place. Analyse the information gathered and formulate an opinion in relation to the following:

1. The extent to which they have shifted the company's market position.
2. The extent to which they have influenced the company's internal structures and management processes.
3. The extent to which they have been technology dependent (and which technologies).
4. The extent of their success.

Findings.

Harley-Davidson set objectives to:

Expand total Harley-Davidson riders to 4 million in the U.S.

Grow international business to 50% of annual revenue.

Launch 100 new high impact Harley-Davidson motorcycles.

Deliver superior return on investment capital for Harley-Davidson Motorcycle Company.

Grow their business without growing their environmental impact (Harley-Davidson, 2018)

(Harley-Davidson, 2019)

‘MORE ROADS TO HARLEY-DAVIDSON’ launched on the 30th July 2018 followed by an

‘ACCELERATED PLAN FOR GROWTH’, to the company’s market position (Harley-

Davidson, 2019).

It started in 2017, with the heading of ‘SHIFT’ building motorcycles to building riders, embrace used motorcycles and gain insights. During 2018, it is worth noting that. Harley-Davidson decided they were going to accelerate this plan and amplified the efforts to build new riders.

Look at the competitive advantages in new segments transformed the company by expanding product leadership. Changing how they operate and realised potential revenue growth and operating margin expansion. Then for 2020, they expect to grow the momentum as they build the riders accelerator. Robust international growth and USA.

Background Research Links.

[Harley-Davidson Accelerates Strategy to Build Next Generation of Riders Globally](#)

(Harley-Davidson, 2019)

[More Roads to Harley-Davidson Presentation](#)

(Harley-Davidson, 2018)

[More Roads to Harley-Davidson Born to be Free Video](#)

(Harley-Davidson, 2018)

[Electric Vehicles | Harley-Davidson United Kingdom](#)

(Harley-Davidson, 2022)

[How Harley-Davidson Used Artificial Intelligence](#)

(Power, 2017)

[2022 Harley-Davidson Motorcycles | Harley-Davidson USA](#)

(Harley-Davidson, 2022)

[Four Types of Innovation](#)

(Satell, 2021)

[Autoevolution](#)

(Autoevolution, 2022)

[Inside Harley-Davidson's EV shift with a ride on its LiveWire | TechCrunch](#)

(Bright, 2019).

[Harley-davidson Motorcycle History: History of Harley-davidson](#)

(Verticalscope, 2022)

[• Harley-Davidson - worldwide motorcycle sales by region 2021 | Statista](#)

(Carlier, 2022)

Introduction Slide One

During my research for this presentation, I came across many interesting facts.

However, the main purpose of this presentation is to look at specifics.

In respect of innovation of a company over the last 5 to 10 years, of which there are probably far more than I can possibly imagine.

As I have found out, innovation is not necessarily, gadgets and technology, it is far more diverse, such as science, accounting or pretty much anything you can think of.

Innovation has a long historical lineage; it ranges from the simplistic to the astounding.

HARLEY-DAVIDSON planned strategically to enhance its attraction within a competitive market, with a focus on the next generation of Harley-Davidson riders globally, as part of their long-term objectives 2017 through to 2027 (Harley-Davidson, 2022).

Humble Beginnings Slide Two

Firstly. From the very beginning.

The evolution of Harley-Davidson has taken many twists and turns from simplistic beginnings to where it stands today.

In the early years, establishing itself as company it had fierce competition from the Indian Motor Cycle Company.

They had tremendous backing of the trade union movement across the USA.

It began life in 1903 in a 15 foot by 10 foot shed with Arthur Davidson and William. S. Harley.

Bill Harleys first blueprint for an engine to fit into a bicycle was designed and submitted in 1901.

In 1904 the first Harley-Davidson dealership C.H. Lang of Chicago opened for business (Verticalscope, 2022).

Then a few years later 1909 the first V Twin engine was designed with 49.5 cubic inch displacement and a massive seven horsepower output.

In 1910, the Iconic Harley-Davidson logo badge was patented.

By 1920. The company was the largest motorcycle manufacturer with more than 2000 dealers in 67 countries.

It's worth noting here something that I will mention a little while later in the presentation and that is the Livewire, picture at the bottom.

It was launched in 2019 and was discontinued the same year it was released.

Innovation Comparison Slide Three

So did Harley-Davidson use Gregg Satell's Four Types of Innovation up until 2017 (Satell, 2021)?

In terms of Satell's model as a reference, definitely not.

However, that does not mean that if you analysed what they did after point, that they would fit in, in some form or another.

You could say that way back then, Bill and Arthur's dreams & ambitions would certainly fit in the model as Breakthrough Innovation and Mavericks by today's measure.

So, let's jump forwards roughly, 100 years from 1920.

Change Slide Four

Since 2008 Harley-Davidson owners had remained flat.

More Roads to Harley-Davidson Presentation.

This also mean a drop in sales in the US of roughly 50% (Harley-Davidson, 2018).

Clearly from the two examples of the charts in this slide it can be clearly seen why Harley-Davidson need to change and one of the opportunities that exists.

There was significantly more information in the research data looked at, such as catalysts for growth, integrated consumer experience, funding and financials to name but a few.

Without doubt Harley-Davidson have done very extensive research, explored several avenues of opportunity and analysis to identify, how, what, why and where they change.

Nevertheless from this point on they may well have done.

As a result, they formulated a strategy.

2017-2018 More Roads to Harley-Davidson.

More Roads to Harley-Davidson Slide Five

They launched a strategy as part of long-term objectives 2017 to 2027.

Harley-Davidson motorcycles planned strategically to enhance its attraction within a competitive market with a focus on the next generation of Harley-Davidson riders globally, as part of the long-term objectives 2017-2027 (Harley-Davidson, 2018).

Did Harley-Davidson use Gregg Satells Four Types of Innovation of his model?

Well, this possible but it's not what I've set out to prove or disprove, but, they may have I don't know.

This original strategy was revised in 2018 and they decided to accelerate this bringing forwards some objectives to 2022 but still all centered around:

New Products

Broader Access

Stronger Dealers

Amplify the Brand

As part of the accelerated strategy there was the immergence of the electric motorcycle.

Previously I mentioned the **Livewire** which was pictured in the second slide, was High-Powered and the first to launched.

Released in 2019 and discontinued the same year.

There were quite a few problems, it seemed to have missed the mark altogether.

Traditionalist disliked it greatly.

Feelings and thoughts ranging from hideous to detracting from everything Harley-Davidson was renowned for.

There were also technical issues that severely dented the launch, one of the very first public disclosures was un-ceremoniously cut short as the bike burst in to flame while being ridden into a show ground.

Harley-Davidson are still pursuing this venture with the additions of medium and lowered powered models to compete with motorcycles exported for India and China.

Going all in on two wheeled EV models and opened a specific Silicon Valley office in 2018 (Bright, 2019).

However, I want to share a success story that came out of this initiative for very different reasons.

New York Break Through Slide Six

How Harley-Davidson Used Artificial Intelligence

Out of all the research one aspect jumped out at me that I believe was quite innovative.

I came across an online Harvard Business Review by Brad Power in 2017.

‘How Harley-Davidson Used Artificial Intelligence to Increase New York Sales Leads by 2,930%.

In Summary.

It was winter in New York City, and Asaf Jacobi’s Harley-Davidson dealership was selling only one or two motorcycles a week. It wasn’t enough.

Jacobi went for a long walk in Riverside Park and happened to bump into Or Shani, CEO of an AI firm, Algorithms.

After discussing Jacobi’s sales woes, Shani, suggested he try out Albert, Algorithm’s AI-driven marketing platform.

It works across digital channels, like Facebook and Google, to measure, and then autonomously optimize, the outcomes of marketing campaigns.

Jacobi decided he’d give Albert a one-weekend audition.

That weekend Jacobi sold 15 motorcycles. It was almost twice his all-time summer weekend sales record of eight.

Naturally, Jacobi kept using Albert. His dealership went from getting one qualified lead per day to 40.

In the first month, 15% of those new leads were “lookalikes,” meaning that the people calling the dealership to set up a visit resembled previous high-value customers and therefore were more likely to make a purchase.

By the third month, the dealership’s leads had increased 2930%, 50% of them lookalikes, leaving Jacobi scrambling to set up a new call centre, with six new employees to handle all the new business (Power, 2017).

Conclusion Slide Seven

Is the Harley-Davidson strategy working?

It certainly looks as though it is not, from the data Statista (Carlier, 2022).

Have they been innovative?

In some aspect yes, in others probably in a loose way, as examples:

LOOSELY

Inclusion of Human Interface Devices, to embrace technological enhancement of riders experience to link mobile phones an attraction to younger newer riders. This type of technology pre-exists and used in other forms of transport, therefore I would consider it to be a marketing ploy to generate interest by reference to innovative technology rather by actually being innovative.

Identifying direct market competition in India for Mid-powered motorcycles and China for low powered motor cycles. This really is market research, however using this and identifying a market sector and then employing this information to steer investment into a new division in Silicon Valley and potentially increase market stance then yes loosely innovative.

YES

As a continuation of their strategy Harley-Davidsons latest plan addition is 'The Hardwire 2021 - 2025', with focus on Design, Engineering, Quality, Innovation and Craftsmanship.

The setting up of a specific division for developing electric motorcycles at Silicon Valley in 2018 to design, develop and enhance motor cycles aiming and the new younger market opportunities to directly.

The use of 'ALBERT' by New York Harley-Davidson is an argument I have not yet settled with myself. ALBERT itself is innovative but it did not come from Harley-Davidson, nevertheless as a solution to Asaf Jacobi's dilemma then probably yes in the context of use of ideas and methods that are new and different.

Harley-Davidson have definitive strategic plans, which clearly identified concise aims, goals and objectives. In order to succeed and meet these challenges in would be fair to say that there is a whole raft of innovative thinking and innovation taking place. Harley-Davidson are hardly like to share these in the market place until they are fully developed and they are able to take full advantage.

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