



UPS Supply Chain SolutionsSM

case study

Harley-Davidson Revs Up Logistics to Keep Pace With Growth

Harley-Davidson Motor Company, the only major U.S.-based motorcycle manufacturer, is known for setting the world standard when it comes to the design and manufacture of heavyweight motorcycles. The company chose UPS Supply Chain Solutions to help set world standards with its logistics processes.

Client Challenge

Since 1903, when four young men created the first Harley-Davidson motorcycle, the brand has become synonymous with individuals willing to go in bold new directions. After more than a century, the Milwaukee-based company is still going strong.

Forecasts of more growth to come presented additional logistical challenges to the company, particularly for inbound transportation and the supply of parts and accessories to dealerships. In order to focus on its core competency, the company sought a third-party logistics provider.

“UPS Supply Chain Solutions won our business due to its ability to offer comprehensive, fully-integrated services that not only serve our immediate needs, but pave the road for sustainable growth over the long haul,” said David Alamshah, Director of Transportation Logistics for Harley-Davidson.

Our Solution

UPS Supply Chain Solutions began by conducting a detailed analysis of Harley-Davidson’s inbound transportation processes. Hundreds of suppliers shipped components to the Harley-Davidson factories in Wisconsin, Missouri and Pennsylvania. In order to support modern lean manufacturing objectives, the direct, less-than-truckload shipments from suppliers to factories were occurring at a high frequency, creating a disproportionate rate of growth for freight expense.

The UPS transportation analysts identified immediate ways to streamline and enhance the inbound process. For instance, 16 Midwestern suppliers were shipping directly to the Harley-Davidson factory in Missouri. UPS Supply Chain Solutions integrated this segment of the inbound transportation, directing all of the suppliers to deliver the components to a UPS cross-docking facility in Chicago, where the components are consolidated for delivery.

Harley-Davidson Motor Company Automotive

GEOGRAPHIC AREA SERVED

Global

CHALLENGE

Add speed, visibility and efficiency to the U.S. logistics processes of one of the world’s leading motorcycle manufacturers, to accommodate growth and enhance service for manufacturing facilities and dealerships.

SOLUTION

Leverage UPS expertise and world wide network of cross-docking facilities, freight and package delivery services and cutting-edge technology to streamline transportation processes and bring visibility throughout the supply chain.

RESULTS

- Accelerated average delivery times
- Significantly reduced transportation and inventory costs
- Enhanced visibility
- Improved dealership customer satisfaction
- Streamlined operations
- Support lean and just-in-time manufacturing processes

Using historic data from the suppliers, the analysts calculated optimal shipping frequencies for each of the suppliers, enabling the company to reduce the rate of regular inbound shipments to three times a week, while also giving the manufacturing plant faster access to larger stocks of parts.

UPS Supply Chain Solutions is gradually optimizing the entire Harley-Davidson inbound transportation network, by calculating optimal ship frequencies for all the suppliers and identifying cross-docking opportunities at the other manufacturing facilities. As a result, Harley-Davidson Motor Company is gaining efficiencies throughout its manufacturing operations, while reducing its transportation costs.

The comprehensive solution also added value to Harley-Davidson's shipments of parts and accessories to dealerships. In the previous system, Harley-Davidson shipped parts and accessories to its distribution center in Wisconsin where parts were stocked, picked and packed to fill orders. The orders were delivered by less-than-truckload to dealerships around the country.

Leveraging its delivery network, UPS will begin shipping orders of less than 1,000 pounds directly to the Harley-Davidson dealerships. Orders of more than 1,000 pounds will be delivered to a UPS Supply Chain Solutions cross-docking facility in Wisconsin where they will be loaded onto pallets the same day and shipped by less-than-truckload. As a result, Harley-Davidson expects to further reduce its transportation costs and speed up average delivery times of parts and accessories to its dealerships.

International Exploration

Building on the success of the solution, UPS and Harley-Davidson are now exploring ways to enhance the company's distribution of finished goods and its international transportation processes.

"UPS Supply Chain Solutions has helped us reduce our transportation costs, improve our delivery speed, keep our inventory lean and improve service to our internal and external customers," said Alamshah. "We will continue to leverage the strengths of UPS to help us effectively manage our national and global logistics challenges."

"UPS Supply Chain Solutions has helped us reduce our transportation costs, improve our delivery speed, keep our inventory lean and make sure we serve our customers better."

—David Alamshah

Director of Transportation Logistics

Harley-Davidson Motor Company

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