

Teaching Notes

For

Supply Chain Management of KTM Sportmotorcycles

Value Chain Communication and Transparency Issues in the Dealer-OEM Relationship

Christian Stadlmann, christian.stadlmann@fh-steyr.at

Boban Krcic, boban.krcic@fh-steyr.at

University of Applied Sciences Upper Austria

Jenny Pfeiffer, jenny.pfeiffer@ktm.at

KTM Sportmotorcycles, Austria



Aim

This case study aims at assessing the importance of collaboration in distribution channels between manufacturers/importers and motorcycles dealers. Participants shall be able to understand how the supply/distribution chain operates, the roles of the supply chain members, their challenges and strategies. The case study is dedicated to courses of marketing, sales or distribution management of business programs.

Area

Teaching module, the case study is embedded in several modules within supply chain management in the automotive business. Among those are included the push – pull principle, the performance improvement of dealers by providing feedback, effective use of CRM systems, effects of Order Tracking systems on supply chain logistics, the management of relationships and conflicts with manufacturers, measurement of channel performance and finally the OEM production processes and support to dealers.

Short Summary

A multi-brand dealer faces delivery problems due to a strike of an Italian tier 1 producer of brake systems. Communicating with another non-competitive dealer which has a single brand strategy the dealer recognizes that the motorcycle OEM treats the various distribution chain members differently. The dealer investigates what can be done to improve communication and dealer-OEM relationship.

Discussion points:

- Which kind of influencing strategies are used by KTM?
- What could be benefits of a single-brand dealership for Jordan?
- What are the benefits of a single-brand dealership for KTM?
- How can Jordan contribute to faster and better delivery to the end-customer?
 - What preventive actions could have been taken by Jordan in order to avoid this situation?
 - What is necessary for Jordan to understand in order to solve such disputes?
- How can Jordan contribute to improve and influence the relationship KTM?

Target audience

Target audience for teaching: The case study is dedicated to courses of marketing, sales or distribution management of business programs.

Target audience for training: Target audiences are dealership owners, general managers and other management staff as well as salespersons and other customer-facing staff.

Teaching outline

The case study can be used in four standard 45 minutes faculty sessions.

Time plan for sessions (3 hours)

0 - 5 minutes	Introduction
5 - 15 minutes	Presentation of topics about strategic alliances in sales partner management, power, dependency, trust, commitment, fairness and influencing strategies
15 - 25 minutes	Discussion on presented topics
25 - 45 minutes	Reading and getting familiar with the case study
45 - 90 minutes	Working out and answering questions in groups
90 - 110 minutes	Collecting the findings of the participants
110 - 135 minutes	The final discussion of results in a plenum session
135 - 160 minutes	Video
160 - 170 minutes	Learning points
170 - 180 minutes	Feedback about the case

Supporting material and literature

[1] Coughlan, A.; Anderson, E.; Stern, L.; El-Ansary, A. (2006) Marketing Channels, 5th Edition, Upper Saddle River

[2] Diez, Willi (Ed.) (2012): Grundlagen der Automobilwirtschaft. Das Standardwerk der Automobilbranche. 5th ed. München: AutoBusiness-Verl. (Unternehmensführung)

[3] Ehrenstorfer, Barbara (2013): The OEM's point of view: Interview with Mr. Christopher Schipper, Managing director KTM Austria about advantages and benefits of single brand dealership, Video, available on <http://www.new-distribution-skills.eu/>

[4] Langfield-Smith, K., Greenwood, M. (1998) Developing co-operative buyer-supplier relationships: A case study of Toyota, Journal of Management Studies, May 1998, p. 331-353

Note: Contact authors for more information about case study