Dirt Bikes U.S.A.

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Dirt Bikes U.S.A

Dirt Bike U.S.A was created by Carl Schmidt and Steven McFadden. They were

both involved in the dirt bike world as enthusiast. There goal at first was to create a

more reliable and functional off road dirt bike frame. Using engines from Honda and Motors of Austria they developed there desired dirt bikes. They then turned this bike into a sellable retail production bike. The culture they were in was the dirt bike culture specifically for the off road and competitive enthusiast.

Dirt Bike U.S.A mainly sells two types of dirt bikes Enduro and Moto. The company does not stick to domestic products and uses parts and products from all over the world. There parts and services aspect of the company is responsible for 15% of there annual sales. Dirt Bike U.S.A sells its product by focusing on one culture in the dirt bike world. They focus on selling there product to the dirt bikes racing circuit and market in the United States. They primarily focus on selling there product to the serious trail and Enduro riders but they are also intertwined and involved in the motocross market.

In the Dirt Bikes U.S.A Company, there are two CEO's, Carl Schmidt and Steven McFadden, and one marketing manager. There are one-hundred and twenty production workers and ten knowledge and information workers. This company's organizational structure is hierarchical because there are three levels of workers: on the first level, the CEO and COO are found; on the second level, production, administration, and marketing are found; and on the third level, parts, shipping and receiving, manufacturing, service and design, and engineering are found.

Dirt Bikes doesn't sell directly to retail customers, they rely directly on a network of forty distributors that are in Western and Midwestern United States. In Europe, independent distributors sell products from Dirt Bikes. All motorcycles and spare

parts sales must be handled by a certified dealer. Dirt Bikes sales department works very closely with the Dirt Bikes sales distributors. One major responsibility they have is to aggressively promote Dirt Bikes at dirt bike racing and other events. Recently, A Dirt Bikes USA Owner's Group was established to promote stronger relationships with customers and it makes it a lot easier for them to share their Dirt Bikes experiences directly with the customer. They also advertise in motorcycles and magazines devoted to motorcycle racing and dirt bikes. They pay for ads in publications and use a small public relations firm to get their product out there.

Dirt Bike Financial Statement

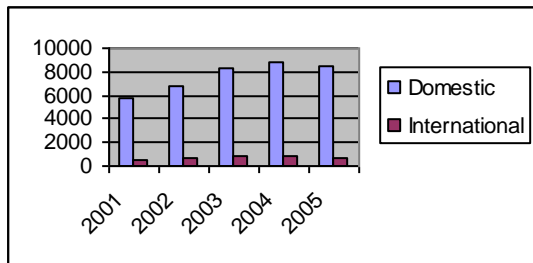The following pages relate to financial statement of Dirt Bikes from 2001-2005

Figure 1 Domestic Vs. International Sales   **Figure 2 Total Sales**
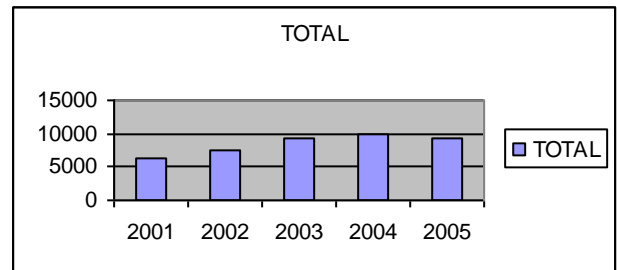
Looking at the Figure 1 above we see that domestic sales heavily outweigh the international sales. Domestic sales usually number around 90 percent of total sales. They both grew relative to each other from 2001-2004, but in 2005 both sales decreased, as we can see in F2.
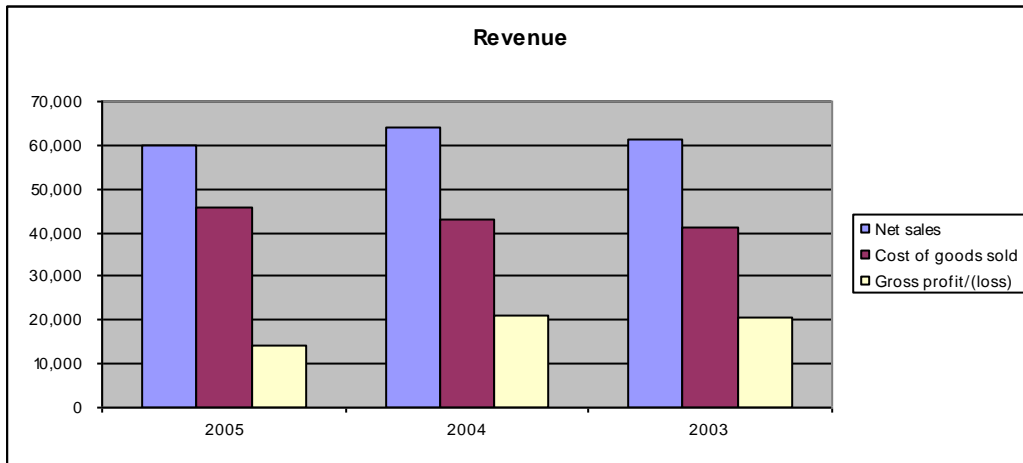
Figure 3 Revenue

We see that there is grew from 2003 to 2004 but shrank from 2004-2005. There is not steady sales growth or sales loss as it has changed over the last three years. But the cost of the goods sold has steadily increased by about $2,000 dollars a year, bringing down the annual profit. In 2004 we are experiencing debt due to a drop in sales and a rise in the overall expenses'. We should however, be able to make new products and continue to produce our old products.
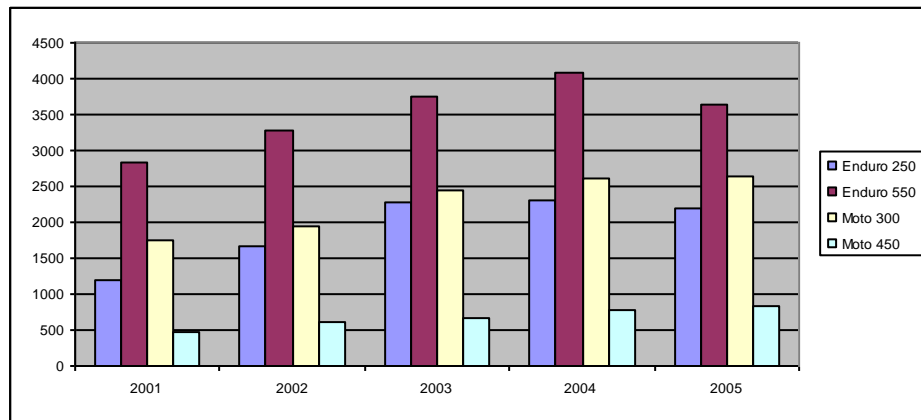
The table above titled Dirt Bike Sales shows the amount of sales per product. The Enduro 550 is always the number one selling product while the Moto 450 has always had

the smallest sales. While the Moto 300 beats the Enduro 250 every year for second most sales. Our best yea was in 2004 and I worst was in the year 2001.

Performing a Competitive Analysis

The activities at Dirt Bikes that create the most value are the company's parts and service business. It account for about fifteen percent of its total revenue. Dirt Bikes provides their value by capitalizing on their proximity through marketing within the United States, but also they were not afraid to spend money on better parts in others places. Dirt Bikes incorporates their own style at the same time to make them a unique force. Some things that could affect the dirt bike industry are not advertising, not being educated, and having public relations personnel that know how to deal with complaints.

Dirt Bikes needs to advertise their unique style and attitude wherever they can so people can see that they are in the business for the well-being of satisfying their customers. They need to stay educated on new parts that come out and the effect they will have on the dirt bikes so they know if they can better their dirt bikes and motorcycles or if their current parts aren't going to benefit. Also, they need good public relations and customer service so they become known for having helpful personnel and people feel like they can ask anything, which will keep people coming back for more products because they don't have to worry about bad service.

Dirt Bikes should advertise their products and their success in magazines, online, billboards, and wherever the public can see and read about them the most. They should

break down their products and show how they make different bikes for different regions and terrains.

Many of the Dirt Bike employees are dirt bike enthusiasts so they have a good understanding about the ins and outs of their products. They can help customers and share their personal dirt bike experiences so that the customer actually can feel like they are speaking to someone who knows what they are talking about. This will leave the customer happy and word of mouth will continue to support the business. Word of mouth is the cheapest way to advertise.

Analyzing Total Cost of Ownership of Desktop Software Assets

Dirt Bikes U.S.A. has asked us to analyze the total cost of ownership (TCO) of Desktop Assets.Two software packages were analyzed to determine which would be the best for the overall productivity based upon both capabilities and pricing. The two that were chosen by Dirt Bikes where Microsoft XP and Sun StarOffice

Microsoft Office XP was compared to the Sun StarOffice. The Sun StarOffice system was priced at $93.11, which is at first glance a better immediate value. Microsoft Office XP was priced at $148.99 but had many more capabilities such as an electronic presentation program as well as a web page designer.

Initial Costs	Installation	Training	Technical	Down Time

			Support	
93.11 x 8= $744.88	25 x 8= $200	8 x 100= $800	744.88 x .3= $223.46	744.28 x .15 = $111.64
148.99 x 8= $1191.92	25 x 8= $200	8 x 100= $800	1191.92 x .3= $357.58	1191.92 x .15= $178.79

Table 1 Chart of Prices

Cheaper initial cost or more capabilities? The decider of this question lies in the annual cost to the systems. The Microsoft package costs $639.02, which includes a one time training cost, a one time installation cost, a technical support fee and a downtime cost. The more valuable package is the Sun StarOffice which is priced at $446.22. The annual differential in cost comes to $192.80 which after a number of years will accumulate to a substantial loss.

Total cost Of Microsoft	Total Cost Of Sun StarOffice
$2728.29	$2079.98

Table 2 Total Cost of Software

Based upon the substantial expense differential between the two packages, you would believe that Sun StarOffice would be a good choice, and it is if you intend on just using what this company offers. But with the brand name of Microsoft and the great features, that you company could definitely use Microsoft XP would be the wiser choice for the long run.

Redesigning the Customer Database

Table 3 Original Customer Database

Customer ID	Last Name	First Name	Street	City	State	Zip	Phone	Model	Date	Distributor
1	Mann	Dwight	23 Colby Lane	Tacoma	WA	98109	(253) 123-4333	Enduro 250	12-Feb-06	J&J Cycle
2	Porter	William	3 Pinehill Rd.	Logan	UT	84321	(435) 797-3322	Enduro 250	27-Mar-06	WX Cycle
3	Higgins	Daniel	38 Ryder Rd.	Lincoln	NE	68526	(402) 471-6950	Moto 450	11-Jul-05	All-Terrain Cycle
4	Langan	Howard	8 Belle Ave.	Flagstaff	AZ	86002	(928) 382-5877	Moto 450	12-Jan-06	Cycle World
5	Delgado	Luis	66 Skyview Terrace	Las Cruces	NM	88003	(505) 582-4301	Moto 300	05-Oct-05	Ben's Cycles
6	Stratman	Philip	722 Donald Dr.	Hayward	CA	94541	(714) 278-5564	Moto 450	21-Mar-05	Don's Off Road
7	Yates	Gerry	11 Buena Vista Dr.	Ventura	CA	93012	(805) 413-7922	Enduro 250	16-May-06	Lightning Cycles
8	Mickel	Paul	523 Grant St.	Norman	OK	73072	(405) 325-1971	Moto 300	17-Apr-06	WX Cycle
9	Podell	James	68 Clinton St.	Pocatello	ID	83202	(208) 251-4967	Enduro 550	18-May-05	Performance Cycles
10	Lowe	Mark	95 Canyon Dr.	Pomona	CA	91767	(909) 869-3955	Moto 300	05-Dec-05	KB Racing
11	Mann	Dwight	23 Colby Lane	Tacoma	WA	98109	(253) 123-4333	Enduro 550	11-Aug-04	J&J Cycle
12	Higgins	Daniel	38 Ryder Rd.	Lincoln	NE	68526	(402) 471-6950	Moto 300	07-Jun-06	Lightning Cycles

We have now been asked to redesign the customer database for Dirt Bikes. We

want to make it easy for the Dirt Bikes company to keep track of all of the customer

information. We want information like number of bikes purchased, how often they attend races, and the customer's emails to be one click away from our employees.

Table 3, the Original Customer Database, shows use what was used by the retailers of Dirt Bikes. This was sent to the main office by the distributors of the product. It gives the customer ID number, as well as the names, address, phone number, product purchased, date of purchase, and the distributor. All of this information is very useful, but today at Dirt Bikes we want to know more.

We have redesigned the database so a broader amount of information could be used and we would be able to use it to focus on what our customers want. Instead of having one table there are multiple tables now available.

Event ID	Event Name	Event Type ID	Location	Start Date	End Date	Start Time	End Time	Required Staffing	Confirmed	Available Space

Table 4 Example of New Table

Table 4, Example of New Table, shows us a data table that will be used by Dirt Bikes U.S.A. This specific table will be used for Events hosted and sponsored by Dirt Bikes. Whether it is a big race, or a small bike show, this data table will be used with ease.

This is not the only new Database though; databases have been set up to help Dirt Bikes learn more about their customers. Such as databases including ages of customers, years of school, other interests such as hobbies and other sports and activities enjoyed. This makes it easy to target a focused group of customers, instead of sending "junk mail" that leave customers irritated and angry at the company.

You will also be able to enter a database of Dirt Bikes loyal customers, this

database includes, multiple dirt bike purchasers, people who attend events commonly, People who get their bikes repaired by our employees, and repeat customers of apparel and parts for their machines. This Database is updated daily, as is the report it is entered in.

Not only has this information been stored into a database but the information has also been listed in reports, one of which is titled "Dirt Bike Valued Customers." This uses the information listed above in the data table to create an easy to comprehend report. This report can be sorted in many different ways to try and target Dirt Bikes most Valued Customers.

Using Internet Tools to Increase Efficiency and Productivity

All parts of Dirt Bikes would benefit from the internet and its tools. They would be able to search for alternate products to buy. They are going to be able to use the internet to make the company better. The can research the competitors and try to have the best price. They will also be able to do direct banking for there employees. They will use emails to contact employees. Everyone's job will become easier and they will be able to use the internet for everything. Shipping people can track packages, all employees can email each other with questions and answers, and the marketing department will be greatly impacted because they will be able to reach millions of more people through the internet and save money at the same time.

Intranets will have an equal, if not greater impact on the company. This is how we will be able to keep track of everything throughout the company. An intranet is a private computer net work much like the internet. The difference is only the people in this

intranet can access the information, unlike the internet which can be accessed from almost anywhere.

Sales and marketing are two parts of a company that are two different sections but very much intertwined. Marketing's focus is to raise sales. This is a way for all of the information between the two to be accessed. Any member of these two sections will be able to access the most up to date information for each of them. For instance a company has come up with three different types for marketing plans. The sales department has been keeping track of how these three different marketing plans have been working. They can update it as much as they want and these marketing departments will be able to change the plan on the go. This works better then a weekly meeting with printed out graphs. We are getting updated information on the spot and we can change our plans right away, which in the end will save Dirt Bikes U.S.A. money.

Disaster Recovery Plan

Dirt Bikes U.S.A. is worried about the threat of power outages, vandalism, computer viruses, natural disasters, or telecommunications disruptions. We are located in Colorado which means we have a chance at a lot of snow every year, and we are just as prone to vandalism, computer viruses, and telecommunication disruptions.

To try to prevent these disasters from impacting as fully we must take precautions. Some precautions that could be taken are, up to date virus software, cell phones for the employees, and everything needs to be backed up.

The most important files that need to be backed up is the humongous databases for Dirt Bikes U.S.A. we can have them backed up on external hard drives at our office, and sent out to be backed up at a business who stores files. These are the most important

files because they are the core to this business and losing them is not an option. Also it would be very hard for these to be done by hand. While we could do something such as employees pay by hand. This is more reasonable then trying to keep the entire database by hand. In a perfect world we are going to back up everything twice electronically.

After surfing the web for the best disaster recovery service I stumbled upon the company DRS, Disaster Recovery Services. They were by far the best company. The are a place for you to store all of your files if needed, and the provide recovery facilities, systems and resources for a network. A second company I found was SunGard Availability Services. They now offer an amazing service called AdvancedRecovery Solutions. This is great because it offers, higher levels of availability, **c**arry higher burdens of constant back ups of transactional data, and require the highest levels of regulatory compliance standards. Overall either of these companies is a great option for Dirt Bikes U.S.A.

Identifying Supply Chain Management Solutions

Dirt Bikes U.S.A. is having a problem with the distribution of its bikes. Currently the distributors of dirt bikes for our company are beginning to worry that they will lose customers because they are taking so long to receive the fuel tanks for there motorcycles. We have been asked by Dirt Bikes to try and find other possible distributors of fuel tanks so we can ship out all of our bikes on time and keep our customers happy.

One supplier of fuel tanks for dirt bikes is RockyMountainMC.com. They have excellent fuel tanks at a good price and they offer seven dollar shipping on orders under ninety nine dollars and free for all orders over 100 dollars. The best part is that the business is located in Colorado, in the same state as Dirt Bikes U.S.A.

Another supplier is JustGastanks.com. The only sell gas tanks and they offer no sales tax outside of California. But they are farther away then the other company. They also offer free shipping on orders over 150.

We see that the better choice seems to be Rocky Mountain MC because they are closer, and offer better shipping prices. Just Gas Tanks is farther away and though there is no sales tax, it would cost more overall to ship the tanks to Colorado.

We are also asked to try and find two types of distribution software for the company. We have found one titled TRAX. TRAX is a fully integrated accounting and inventory control solution designed to meet the unique challenges faced by today's Retail and Wholesale Distribution companies. The second is DS Enterprise. DS Enterprise is a multi-carrier shipping solution enabling companies to automate shipping processes and improve shipment visibility. Reduce your transportation costs by comparing carrier rates using time in transit methods, or by adding custom business rules.

We found out that DS Enterprise is the best choice for dirt bikes. It offers the more then TRAX and is cheaper. Ds Enterprise is easy to use and will be a great choice for Dirt Bikes U.S.A.

Developing an E-Commerce Strategy

Dirt bikes would benefit from e-commerce because it would be their key advertising component. People all over the world could access information about the company and their products with the click of a button. It's a good way to educate people on the company and their background. It's an easily accessible way for customer to order, customize, and view products of their liking. E-commerce would give customer's accessibility to track their orders and have constant updates on their status, whereas if

they had to call over the phone, it would take a lot longer. Dirt bikes should sell both parts and motorcycles over the web because people can customize a bike to their liking with supped up parts, but if a person just wants a bike for a leisure activity, they can just purchase a pre-made bike. The website should be a primary advertiser because people from all over the world can access all the information they need on the company, the products, and the personnel. It should use the web to inform people on their customer service, but it shouldn't be the primary source of customer service. They need to keep a phone- based customer service to stay on a personal level with their customers to create a better buyer/seller relationship.

A website would be of value to Dirt bikes because it puts their name out there and it is a tangible, visible site that people can spend hours on in order to make their product perfect. For a small to medium sized business, Network Solutions offers pro-ecommerce for $99.95 a month. For a standard ecommerce site, it is $49.95 a month per month. The Website Builders also offer ecommerce silver for small companies, ecommerce gold for medium companies, and ecommerce platinum for large companies. The silver price is $8,500.00 total and the gold is $15,500.00 total. If they went with the first website, it wouldn't affect them that much because for how much they make on a dirt bike would cover the price for one website. For the second website, it will affect them because it's money upfront, but it will be worth it in the long run as long as they keep it up to date and accurate. It's more personalized and they need to keep it up to date instead of having someone do it for them. In the first website, you are basically paying someone to keep your stuff up to date where the second website you do it on your own and interact with it

yourself. Both websites are worth the investment, it just depends on how involved you are willing to be.

    A Dirt bikes website should contain many functions: First and foremost, they need to be able to customize or look at pre-made bikes. Secondly, there needs to be an easy, quick link to order bikes. It should have credit card information that isn't a hassle to fill out. Thirdly, there needs to be an order tracking page that stays up to date on hour by hour basis in order to satisfy their customers. There needs to be a link talking about the background information on the company, the employees, the company's success, and the success of their bikes in general. They need a page for beginners, who are those people that don't know a thing about dirt bikes and motorcycles, but want to become educated quickly. Another necessity would be to create a page informing people on the different parts they sell. Also, there should be links to the companies in which Dirt bikes gets their parts from so people can make sure they are buying safe parts. There needs to be a page on distributors so people know the accessibility and where there parts come from or are shipped to. Another importance would be an area for general feedback within the website so public relations can be updated on how they are doing. Lastly, there needs to be a page on customer service and how to get in contact with them, whether it is via e-mail or a one hundred number. There needs to be a website because Dirt Bikes doesn't have an actual store and people might get a not so warm feeling about their bikes and parts coming from a random company that doesn't have a base.

Analyzing the Impact of Component Price Changes

Dirt Bikes needs us to explore the in changes in some of its parts components on production costs. We will review the bill of materials for the brake system of the Moto 300.

Component	Component No.	Source	Unit Cost	Quantity	Extended Cost
Brake cable	M0593	Nissin	$27.81	1	$361.53
Brake pedal	M0546	Harrison Billet	$6.03	2	$78.39
Brake pad	M3203	Russell	$27.05	2	$351.65
Front brake pump	M0959	Brembo	$66.05	1	$858.65
Rear brake pump	M4739	Brembo	$54.00	1	$702.00
Front brake caliper	M5930	Nissin	$105.20	1	$1,367.60
Rear brake caliper	M7942	Nissin	$106.78	1	$1,388.14
Front brake disc	M3920	Russell	$143.80	1	$1,869.40
Rear brake disc	M0588	Russell	$56.42	1	$733.46
Brake pipe	M0943	Harrison Billet	$28.52	1	$370.76
Brake lever cover	M1059	Brembo	$2.62	1	$34.06
Total			$624.28		$8,115.64

Table 5 Bill of Materials: Moto 300 Brake System

Table 5 Bill of Materials: Moto 300 Brake System shows the eleven components of the brake system. It then lists the component number of all of the 11 Components. The source of all of the components is listed before the united cost. After is the quantity needed of every component for the brake system. The extended cost is the total cost calculated by the united cost times 13, the total quantity of the components needed to create the brake system.

Component	Component No.	Source	Unit Cost	Quantity	Extended Cost
Brake cable	M0593	Nissin	$27.81	1	$361.53
Brake pedal	M0546	Harrison Billet	$6.03	2	$78.39
Brake pad	M3203	Russell	$27.05	2	$351.65
Front brake pump	M0959	Brembo	$66.05	1	$858.65
Rear brake pump	M4739	Brembo	$54.00	1	$702.00
Front brake caliper	M5930	Nissin	$107.00	1	$1,391.00
Rear brake caliper	M7942	Nissin	$106.78	1	$1,388.14
Front brake disc	M3920	Russell	$143.80	1	$1,869.40
Rear brake disc	M0588	Russell	$56.42	1	$733.46
Brake pipe	M0943	Harrison Billet	$30.00	1	$390.00
Brake lever cover	M1059	Brembo	$2.62	1	$34.06
Total			$627.56		$8,158.28

Table 6 Updated Bill of Materials: Moto 300 Brake System

The price change would lower and raise the extended cost. If it was lower it would lower the individual and total extended costs. If it was raised, like it Table 6 Updated Bill of Materials: Moto 300 Brake System the extended cost for those two items would increase as would the Total extended cost.

Since the brakes are thirty percent of the total materials cost this would not alter the total price of materials cost that much. The swing would be about 5 dollars added or subtracted from the original cost.

Designing an Employee Training and Skills Tracking System

Dirt Bikes likes to promote that it is a "learning Company." This means that it pays for the employees to take training courses or college courses to help them advance in the business. The Problem for dirt bikes is once there is a position open, it is hard to tell who has the best education to fill that roll. This takes to much time and slows down the production for Dirt Bikes U.S.A. We need to adjust and create a data base that will

make it able for human resources staff can quickly identify high performing employees who already have the training needed for the position. This will also save money because they will be able to find replacements internally instead of spending money and hiring recruiters to find replacements.

We need to create a database of our employees. This database needs to include all customers first and last names. Now we also need to list there highest degree of education. We should also include the training classes that the employee has completed so we know where they stand. A numerical value based 1-4 with 1 being the highest and four the worst. 1 one will designates exceptional performance; 2 designates good performance, 3 designates fair performance, and 4 designates unacceptable performance.

Using this database you will be able to search for specific training classes, performance, or education experience and find what employee would fit best in the newly opened position. You can find the top 3-5 candidates and create a report to set up interviews. This new database is sure to save time and money for Dirt Bikes U.S.A.

Developing a Website Privacy Policy

Dirt bikes should collect the number of people that actually visit the website in order to see if it's worth the money and effort to keep the website running. They also need to see what parts of the website people visit so they can figure out which pages are useful and which people don't even bother with. Just by seeing just where people go within the website isn't a privacy issue at all. The only time people should be asked for more information is when they order a product and even that should stay basic in order not to violate people's rights.

Dirt bikes should have cookies and they need it in order to track where people go within the website. It's also a good way to go on a personal level with your customers because once you buy a product, cookies saves your name and you will be greeted by name when you next log into the website. An advantage of using cookies for Dirt Bikes helps them become on a personal level with their customers and an advantage using cookies for the website visitors helps them feel more connected and their information will save if they purchase something. Also, visitors can view the popularity of the website by seeing the figures of how many people log into the website, which gives a comforting feeling as to how successful the website is. Cookies doesn't create a privacy issue because once you buy something, your information gets saved, but it's only visible under your account. If there was a privacy issue, it would only be because the company has your information.

Dirt bikes should join an organization such as TRUSTe due to hackers. This will certify privacy throughout the website and help them fight off people trying to get other people's personal information. It makes people feel more secure giving their information because they know it won't be shared due to the privacy block.

Dirt bikes should design their site to conform to P3P because visitors can select the privacy level they wish to maintain. Within the privacy settings, the user has the option to do multiple things. One of the things is manage cookies, meaning they can block or limit cookies being placed on their computer. Another thing is blocking ads and can control the ads that pop up on user profiles and prevent ads from collecting or sending information. They can secure e-mail or data so it scrambles it so it cannot be read. Anonymous e-mail uses another e-mail address to send e-mails so that it cannot be traced. Lastly, anonymous

surfing allows you to just surf the web without being identified or to allow them to send anonymous e-mails. Dirt Bikes should adopt and opt-in model because they shouldn't be able to collect or share personal information without the consent of the customer or the individual.

Conclusion

Dirt Bikes U.S.A and group four have worked hand and hand to help improve this wonderful company. We have helped them become connected with the internet, using search engines and discovering how to use the Intranet. We have also helped them secure the company and backup all of their files. We have also helped them greatly improve the database of the company making it a lot easier for them to find the files and information they need and to help them be able to reach and become closer to a they product providers and closer to their customers. With all of this information Dirt Bikes U.S.A. has been greatly improved.