



KTM Sportmotorcycles rides the road to success with AS/400e



**KTM Sportmotorcycles hits
the high road with a Dealer
Communication System
on AS/400e. Revenues are
up 30 percent, while dealer
requests for telephone
support have dropped
50 percent.**

Dirt bikers don't mess around. When they need a spare part, they need it now. For KTM Sportmotorcycles USA, Inc., the challenge is to keep dealers supplied with parts, weekend after weekend. That's why the company recently launched a new Dealer Communication System running on IBM® AS/400e™ server. It was developed using LANSAs for the Web from IBM Business Partner LANSAs Inc. of Oakbrook, Illinois.

This e-business solution has helped put KTM on the fast track in every way. Revenues are up, order processing is fast and dealers and customers alike are happy.

"We chose AS/400e server hosting an e-business solution developed by IBM Business Partner Strategic Business Systems of Ramsey, New Jersey," says Rod Bush, president of KTM. "The results have been lower costs, improved revenues and a much better use of our dealer and employee time."

Based in Amherst, Ohio, KTM is a sportmotorcycle distributor of dirt bikes and spare parts with 260 dealers across the United States. Founded in 1992, it has total annual revenues of \$40 million and currently sells approximately 10,000 motorcycles a year. This makes it the sixth largest motorcycle company in the country. In addition, KTM also has aftermarket sales of spare parts exceeding \$3 million in annual revenues.

Technology challenge

KTM Sportmotorcycles USA, Inc., needed to make its ordering and inventory system easier to access in order to provide better service and information to dealers across the country.

Technology solution

The company chose to implement a Web-based Dealer Communication System (DCS) running on AS/400e. Benefits experienced include:

- Parts revenues up by 30 percent
- Dealer telephone inquiries reduced by 50 percent
- Around-the-clock service for dealers
- Improved customer satisfaction

Revvng up the business with Web-based dealer services

According to Bush, selling spare parts used to be a labor-intensive business. Dealers submitted their orders by phone, fax or e-mail. KTM employees spent hours every day looking up part numbers, quoting prices and handling orders.

But, as the company grew, it became clear this process needed more than a tune-up. With approximately 3,000 line items shipped weekly from a total inventory of 10,000 parts, demand was fast outstripping KTM's ability to deliver. It needed to reengineer and redesign its core dealer business processes.

"The time was right for e-business," explains Bush. "We saw the Internet as the ideal communication channel for dealers."

KTM's new e-business solution had to give dealers three core capabilities:

- Direct access to parts availability
- Information on part prices, and
- Automated parts-ordering capabilities

To design the solution, KTM approached Strategic Business Systems (www.sbsusa.com) a value-added reseller who offers wholesale distribution solutions for AS/400e and Windows NT® servers. Strategic's recommendation: build an e-business featuring Strategic's existing Parts Management System running on AS/400e.

This heralded a new technology direction for the company. But, AS/400e offered three compelling reasons for KTM to change gears:

1. AS/400® was extremely reliable, which was critical to ensure effective 24 x 7 support.
2. Its scalability was legendary, which would allow KTM to easily accommodate business growth.
3. It didn't require on-site operational staff, which reduced their overall cost of ownership.

"We've had plenty of experience using Windows® and NT systems," says Bush. "None had the flexibility, scalability or reliability of AS/400e."

Taking the fast track to e-business

Strategic went into high gear to build KTM's new Dealer Communication System (DCS). Developers extended the Strategic software to the Web using the LANSAs development tools. They also set up KTM's entire I/T infrastructure to access AS/400e and converted its existing NT data to AS/400e.

Finally, the Strategic team developed an Internet connection to the Parts Management System using LANSAs for the Web. All data is stored in DB2® Universal Database™ for AS/400.

Total development time? One month.

"LANSAs was the most efficient way for a major developer like us to develop e-business capabilities for KTM," says Michael Herlihy, motor vehicle system product manager at Strategic. "At the same time, the power, reliability and firewall security of AS/400e allowed us to maximize the performance of the DCS."

Hitting pay dirt with a major revenue boost

According to Bush, the Strategic solution did not require major investments on the part of the company or its dealers. "Most had a PC and modem," says Bush, "and \$20 gave them access to the Internet and our AS/400e. It was economical and effective."

The new system went live in January of 1999. The results have been spectacular. After 12 months, aftermarket sales revenues have climbed 30 percent, from \$3 million to approximately \$4 million per annum. Dealer requests for telephone support have been reduced by 50 percent. And, orders are routinely turned around in 24 hours. "Not to mention that our dealers love their 24 x 7 access," says Bush.

e-business, he adds, has helped generate improved productivity for KTM as well. Company employees are now able to concentrate on core competencies and deliver value-added services to customers.

"Strategic, AS/400e and LANSAs for the Web were a winning combination for the 21st century," says Bush.

For more information

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