

Case Study: Harley-Davidson, Inc.

You can find the most recent annual report for Harley-Davidson, Inc. at <https://www.annualreports.com/Company/harley-davidson-inc>.

In recent years, the iconic American motorcycle company has seen costs rising and demand falling. In mid-2020, the company announced that it would be cutting production and “revamping” inventory management.

<https://www.supplychaindive.com/news/harley-davidson-inventory-management-cuts-production/582493/>

- Looking at the most current annual reports, how many motorcycles did Harley-Davidson, Inc. sell?
- Using the cost of goods sold from the income statement, what do you think is the average cost of a motorcycle sold?
- From that data and inventory on the balance sheet, can you estimate the number of motorcycles in ending inventory?
- How do those numbers compare with prior years?
- What is the average sales price, and the average gross profit?
- What are total selling, general, and administrative costs, and how do those compare to the gross profit reported on the financials?
- From those numbers, could you estimate the number of motorcycles Harley-Davidson, Inc. would have to sell in order to just break even?
- How do costs as shown on the financial statements compare to the way you might want to classify costs based on what you have learned in this module?
- As a managerial accountant, what kind of strategies would you recommend to the company that might help it better manage inventory?
- What other kinds of ideas do you have that might help Harley-Davidson, Inc. increase the bottom line?

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