



Ticker tape and tea leaves

Black Wednesday was followed by Charcoal Thursday and then Drab Gray Friday, and over the course of the three trading days from April 13–15 at the New York Stock Exchange, the value of HDI (better known to us po' folks as The Motor Company) took a break from its bullish ways and, in the parlance of the market, "tanked." The company lost a staggering 20 percent of its market value, and the reasons for that are subtle and weird, but one thing is for certain: Harley's new CEO, Jim Ziemer, must be feeling a bit star-crossed right about now. On the verge of assuming the corporate reins from outgoing CEO Jeff Bleustein, he issued the company's financial statement for the first quarter of 2005 and a glowing report it was in most respects. Yet another quarter of record-breaking performance at the bottom line; earnings per share that beat Wall Street expectations; plenty enough money from all profit centers to keep the boat afloat and bobbing along quite nicely, thank you, but that didn't keep the rats from grabbing the nearest bit of flotsam and bailing over the side. And that's because Ziemer also announced something that nobody had heard before and didn't want to hear now. He announced that Harley was scaling back their production to keep the number of units produced more in line with anticipated consumer demand.

This was sacrilege. The very notion that the buyer pool for new Harley-Davidsons was not an inexhaustible spring sparked a selling frenzy. The nubile darling of Wall Street was suddenly looking mature, and the wizards of the Street who had, a mere day before Ziemer's announcement, been singing the praises of the company and buoying its stock along at giddy levels, were suddenly experts on what was wrong with the outfit, saying in effect that the boom period was at an end and the book on Harley had gone from "everybody wants one" to "everybody's already got one" in the course of a day. The stock took its beating, and all I can say about that is the more I learn about the workings of the stock market, the more

I'm drawn to the relative sanity and security of the dog track.

Still, there is something to this sudden reticence about high-flying Harley's prospects in the long term. It's been an ongoing matter of "Field of Dreams" faith that if Harley builds it, they will come. That's been a cornerstone of marketing strategy for 20 years and, sure enough, they always came. They even waited in line for much of that period. It was a charmed existence and the envy of the industry, but what the company hasn't done very convincingly as time has passed is to articulate where exactly they're going to keep coming from as production has ballooned and unit output has soared tenfold over that period.

This has in fact been a well-flogged question over the last few years among obsessive Milwaukee-watchers like myself. It's a reliable topic of cocktail talk at industry gatherings, guaranteed to get everyone weighing in, and to date no one I know of has come up with anything less vague than "women," "more



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Experience vs. training

Let me assure you that I really enjoy your publication and this letter is not meant to in any way put your fine work down. Your newspaper is of better quality than many of the \$3-per-copy magazines out there and you good people don't charge a dime for it. Alright, on with my gripe. In the February '05 issue there is a letter titled "Valuable Lessons." The letter was obviously a setup for you to voice your opinions on riding schools. The bogus letter (I'm sure it was written by T.Ro) asked if these schools could teach things that some of the "mature riders claim as experience." You replied you that you certainly

Baby Boomers," and "maybe those kids watching the chopper shows."

Harley has already been actively courting those first two potential constituencies, reaching out across traditional market boundaries to fetch new blood. They've increased their exposure in mainstream media, their involvement in NHRA, and made overtures to upscale women's magazines looking to spread the message that Harleys are friendly and fun for the gal on the go. And that's all sensible stuff under the circumstances, but there's a risk involved in pushing too far too fast in strange terrain, namely that if the company's marketing becomes too mainstream in its campaign to bring in the unorthodox, they could wind up watering down the rebel fringe reputation that brought them to the dance in the first place, and which underlies their appeal to the core customer base. That's the unenviable dilemma awaiting CEO Jim Ziemer on his first day on the job.

The real bummer in all of this is that it overshadows the exit of Jeff Bleustein, as savvy, resilient and just plain likable a business leader as this country has produced in a generation. It should have been a graceful and bittersweet swan song, replete with glowing encomiums and hearty pats on the big guy's back. That's all lost in the noise, and all Wall Street can hear is that one last sour note.

It's all right here in the diaries.

hope not because some of the more mature riders never heard of counter-steer and still think using the front brake will cause a face plant.

T.Ro, have you ridden much on gravel or red dog roads? I assure you if you had, you'd find that keeping your hand off that front brake is a good strategy for some roads.

A good friend of mine taught a free safety course at a nearby community college. At the end of the course a license test was given. Granted the course was fine for learning basics and was probably a good thing for those who did not have a patient and

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THUNDER PRESS
West edition • May 2005

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For individual subscription service:
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(A Subsidiary of Affinity Group, Inc.)
Publishers of *Rider*, *American Rider*
and *Cruising Rider* magazines
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