



Global Bike Group

Background and overview of Global Bike strategy and operations.

Product

SAP S/4HANA 2023
Global Bike

Fiori 3.0

Level

Beginner

Focus

Company Background

Authors

Simha Magal
Stefan Weidner
Jeff Word

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MOTIVATION

A general understanding of Global Bike (the enterprise) prior to embarking on hands-on exercises and case studies in the SAP ERP client is critical for success.

This narrative provides a historical background for how Global Bike began and an overview of its operations and strategy. This information will be used extensively throughout the curriculum material.

PREREQUISITES

None

NOTES

None



Company History

Task Get to know the company's history.

Time 15 min

Short Description Read the below narrative to learn about the company's history.

The Global Bike Group has a pragmatic design philosophy that comes from its deep roots in both the off-road trail racing and long-distance road racing sports. Nearly 20 years ago, its founders designed their first bikes out of necessity – they had races to win and the bikes that were available at the time did not perform to their extremely high standards. So, they took matters into their own hands and built legendary bikes that would outlast and outperform the competition. From these humble origins, Global Bike Incorporated was born and continues to deliver innovative high-performance bicycles to the world's most demanding riders.

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This heritage of entrepreneurial spirit and quest for design perfection is still the cornerstone of Global Bike's corporate philosophy. Global Bike produces bikes for the most demanding competitors – whether the competition is on pavement or dirt, for money, fame or just bragging rights.

John Davis earned his racing scars in the mountain racing circuit in America, where he won numerous downhill and cross-country championships. Early on, John realized that the mass-produced bicycles available were inadequate in many ways for the type of racing he was doing. So, John stripped four of his old bikes down to the bare metal and rebuilt them into a single "Frankenstein" bike that he rode to win the national championship. Once news of his Frankenstein bike got out, John's friends and even his competitors began asking him to build them a Frankenstein bike too. While recovering from an injury in 1990, John started producing the first series of Frankenstein bikes in his garage – each one custom-built from cannibalized parts from other bikes. As more and more orders came in, John successfully expanded Frankenstein Bikes from his garage operations into a full-blown manufacturing facility in Dallas and began producing custom trail bikes which he sold through a network of specialized bike dealers throughout the country.

At nearly the same time, halfway around the world in Heidelberg, Germany, *Peter Schwarz* was studying engineering and competing in regional touring races on weekends. In between his races and studies, Peter worked at a bike shop in Heidelberg, fixing student bikes and tuning the touring bikes that he and his friends rode for competitions. As Peter's reputation as a fierce competitor and mechanical wizard grew, he also began to design and build road bikes based on an ultra-light composite frame that he had created for one of his engineering courses. Peter's innovative use of carbon composite materials allowed him to build a frame that was significantly stronger and one tenth the weight of competing frames. As a student, Peter did not have a great deal of financial resources, so he partnered with a local company that manufactured his frame designs as a contract manufacturer. Soon, Peter's frames were being used by racers all over Europe and he started Heidelberg Composites to market and design frames which would be fabricated by a

contract manufacturer on a larger scale. Heidelberg Composites sold its frames to specialized bike stores throughout Europe and directly to racing teams, eventually becoming the leader in lightweight touring frames in Europe.

Through a twist of fate, Peter and John met each other in 2000 and immediately recognized their mutual passion for performance and complimentary business models. Each had been looking for a partner in another racing field and each had been looking for a partner in a different market. They quickly realized that a merger between their two companies would be extremely synergistic and that the combination of their product lines and regional distribution channels would generate a great deal of efficiencies.

So, in 2001, Heidelberg Composites and Frankenstein Bikes merged to form Global Bike. Today, John and Peter share the responsibilities for managing Global Bike's growing organization as co-CEO's. John is responsible for sales, marketing, service & support, IT, finance and human resources groups and Peter is responsible for research, design, procurement and manufacturing groups from an organizational reporting perspective.

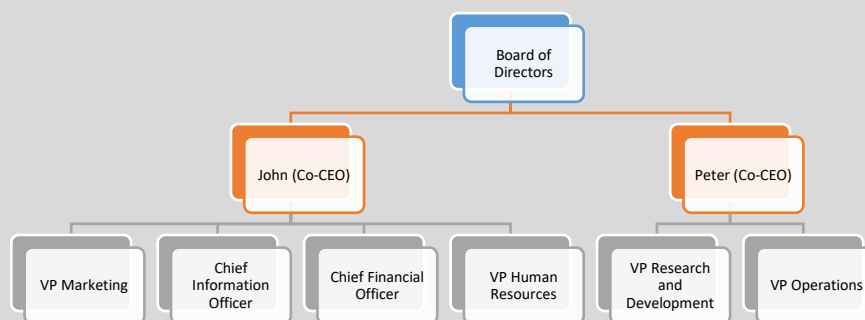


Figure 1:
Organizational Structure

However, Global Bike is a process-centric organization, so John and Peter prefer to think of the processes that they are responsible for, rather than the functional areas of the company that report to them. From this perspective, Peter is responsible for Idea-to-Market and Build-to-Stock and John is responsible for Order-to-Cash and Service & Support, as well as the supporting services for all four key processes. The simple way to look at their responsibilities would be to say that Peter spends money and builds products and John sells products and brings in money.

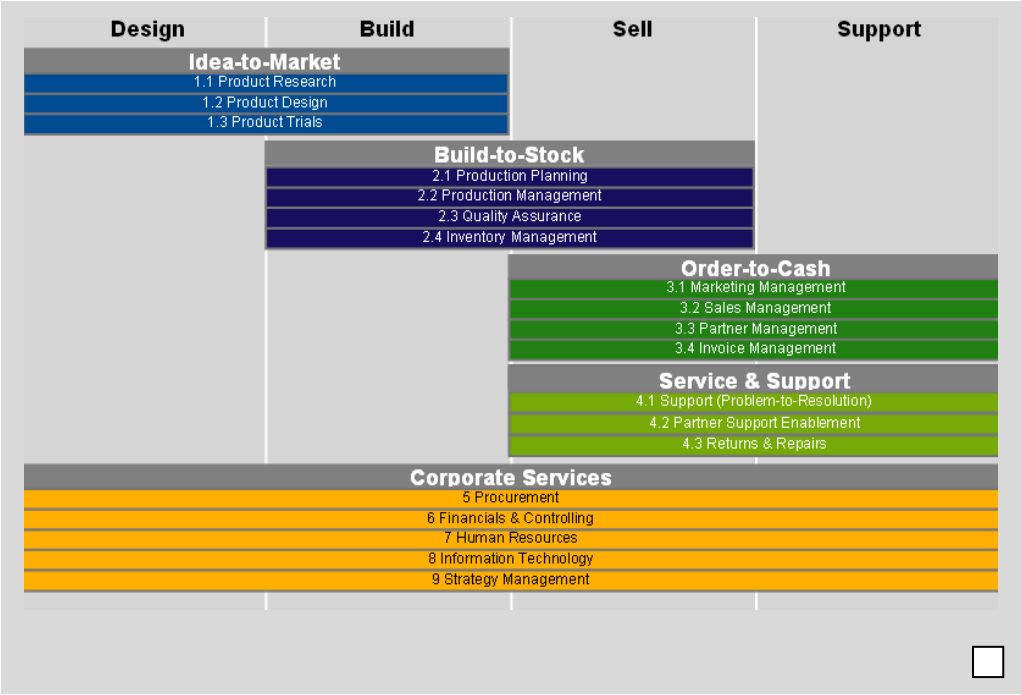


Figure 2:
Enterprise Process Map

Corporate Overview

Task Develop an organizational chart for Global Bike’s enterprise structure.

Time 15 min

Short Description Read the below narrative to gather all relevant information for sketching Global Bike’s current company structure.

Due to several tax and export issues, Global Bike Groups’s headquarters is located in Dallas and Global Bike Inc. is registered as a US company, following US GAAP accounting standards. Global Bike Group operates a subsidiary company, Global Bike Germany GmbH, which is based in Heidelberg and is subject to IFRS accounting standards and German tax regulations.

Material planning, finance, administration, HR and IT functions are consolidated at the Dallas headquarters. The Dallas facility manufactures products for the US and export markets and its warehouse manages product distribution for the central US and internet retailers. Global Bike Inc. also has warehouses for shipping and export in both San Diego and Miami. San Diego handles West Coast distribution and exports for Asia, while Miami handles East Coast distribution and Latin America exports.

Global Bike Germany GmbH has its headquarters in Heidelberg Germany. The majority of research and development is housed in the Heidelberg offices. Heidelberg is also the main manufacturing facility for Global Bike in Europe. The Heidelberg warehouse handles all shipping for southern Europe. The Hamburg warehouse handles all shipping for the UK, Ireland, Middle East and Africa. Global Bike sells its bikes throughout the world and employs approximately 100 people, 2/3rds of the employees are in the US and the remaining 1/3 in Europe.

Notes

Organizational Chart

Product Strategy

Task Get familiar with Global Bike's product strategy.

Time 15 min

Short Description Read the below narrative about Global Bike's product strategy.

Global Bike is a world class bicycle company serving the professional and "prosumer" cyclists for touring and off-road racing. Global Bike's riders demand the highest level of quality, toughness and performance from their bikes and accessories.

Product development is the most critical element of Global Bike's past and future growth. Global Bike has invested heavily in this area, focusing on innovation, quality, safety and speed to market. Global Bike has an extensive innovation network to source ideas from riders, dealers and professionals to continuously improve the performance, reliability and quality of its bicycles.

In the touring bike category, Global Bike's handcrafted bicycles have won numerous design awards and are sold in over 10 countries. Global Bike's signature composite frames are world-renowned for their strength, low weight and easy maintenance. Global Bike bikes are consistently ridden in the Tour de France and other major international road races. Global Bike produces two models of their signature road bikes, a deluxe and professional model. The key difference between the two models is the type of wheels used, aluminum for the basic model and carbon composite for the professional model.

Global Bike's off-road are also recognized as incredibly tough and easy to maintain. Global Bike trail bikes are the preferred choice of world champion off-road racers and have become synonymous with performance and strength in one of the most grueling sports in the world. Global Bike produces two types of off-road bike, a men's and women's model. The basic difference between the two models is the smaller size and ergonomic shaping of the women's frame.

DELUXE TOURING BIKE (BLACK)	EN	DXTR1000
DELUXE TOURING BIKE (RED)	EN	DXTR3000
DELUXE TOURING BIKE (SILVER)	EN	DXTR2000
MEN'S OFF ROAD BIKE	EN	ORMN1000
PROFESSIONAL TOURING BIKE (BLACK)	EN	PRTR1000
PROFESSIONAL TOURING BIKE (RED)	EN	PRTR3000
PROFESSIONAL TOURING BIKE (SILVER)	EN	PRTR2000
WOMEN'S OFF ROAD BIKE	EN	ORWN1000

Global Bike also sells an accessories product line comprised of helmets, t-shirts and other riding accessories. Global Bike partners with only the highest quality suppliers of accessories which will help enhance riders' performance and comfort while riding Global Bike bikes.

Notes

Figure 3
Global Bike Finished Products

AIR PUMP	EN	PUMP1000
DELUXE RENTAL BIKE	EN	DXRB1000
ELBOW PADS	EN	EPAD1000
FIRST AID KIT	EN	FAID1000
KNEE PADS	EN	KPAD1000
OFF ROAD HELMET	EN	OHMT1000
REPAIR KIT	EN	RKIT1000
ROAD HELMET	EN	RHMT1000
T-SHIRT	EN	SHRT1000
WATER BOTTLE	EN	BOTL1000
WATER BOTTLE CAGE	EN	CAGE1000

Figure 4
Global Bike Trading
Goods

Manufacturing Strategy

Task Get familiar with Global Bike's manufacturing strategy.

Time 10 min

Short Description Read the below narrative about Global Bike's manufacturing strategy.

Global Bike operates two production facilities, Dallas and Heidelberg. Each facility has three assembly lines and can produce around 1000 bikes per year. Total production capacity is roughly 6000 bikes per year, but can be increased by 15%-20% by using overtime hours and part-time workers.

Global Bike has outsourced the production of both off-road and touring frames and the carbon composite wheels to trusted partners who have specialty facilities to fabricate the complex materials used. Global Bike maintains very collaborative research and design relationships with these specialty partners to ensure that innovations in both material and structural capabilities are incorporated into the frames. Global Bike primarily assembles semi-finished goods into finished goods at its production facilities. Finished goods are either stored in the local warehouse or shipped to other regional distribution centers to fulfill customer orders.

Notes

BRAKE KIT	EN	BRKT1000
CAN BOTTOM PART	EN	DOUT1000
CAN UPPER PART (BLUE)	EN	DOOT1000
CARBON COMPOSITE WHEEL	EN	CCWH1000
CASING	EN	CSNG1000
CHAIN	EN	CHAN1000
CIRCULATION FAN FILTER	EN	FLTR1000
CLEARCOAT POWDER	EN	CCPW1000
DERAILLEUR GEAR ASSEMBLY	EN	DGAM1000
DISPLAY COVERAGE	EN	DPCV1000
HEX NUT 5 MM	EN	HXNT1000
LOCK WASHER 5 MM	EN	LWSH1000
MEN'S OFF ROAD FRAME	EN	OFFR1000
OFF ROAD ALUMINUM WHEEL	EN	ORWH1000
OFF ROAD CIRCUIT BOARD	EN	ORCB1000
OFF ROAD HANDLE BAR	EN	ORHB1000
OFF ROAD SEAT KIT	EN	ORSK1000
OFF ROAD TIRE	EN	ORTR1000
OFF ROAD TUBE	EN	ORTB1000
PACKAGING	EN	PCKG1000
PEDAL ASSEMBLY	EN	PEDL1000
PUSHBUTTON	EN	PSBT1000
SOCKET HEAD BOLT 5X20MM	EN	BOLT1000
TOURING ALUMINUM WHEEL	EN	TRWH1000
TOURING FRAME-BLACK	EN	TRFR1000
TOURING HANDLE BAR	EN	TRHB1000
TOURING SEAT KIT	EN	TRSK1000
TOURING TIRE	EN	TRTR1000
TOURING TUBE	EN	TRTB1000
WARRANTY DOCUMENT	EN	WDOC1000

BASIC CASING	EN	BCSG1000
CARBON COMPOSITE WHEEL ASSEMBLY	EN	CCWA1000
OFF ROAD ALUMINUM WHEEL ASSEMBLY	EN	ORWA1000
OFF ROAD BIKE COMPUTER SEMI-FINISHED	EN	ORSC1000
TOURING ALUMINUM WHEEL ASSEMBLY	EN	TRWA1000

Figure 5
Global Bike Raw
Materials
Global Bike Semi-
Finished Goods

Distribution Network

Task Get familiar with Global Bike's distribution network.

Time 10 min

Short Description Read the below narrative about Global Bike's distribution network.

Given the highly specialized nature of Global Bike's bicycles and the personalized needs of riders, Global Bike sells its bikes exclusively through well-known and respected Independent Bicycle Dealers (IBDs). These dealers employ staff members who are experts in off-road and tour racing to help consumers choose the right Global Bike bike and accessories for their individual needs.

Notes

Figure 6
Global Bike Customers
in
US and Germany

Business Partner	Street	City	Postal Code	Country/Region	Business Partner	Street	City	Postal Code	Country/Region
Rocky Mountain Bikes 125000	3001 Elm St	Denver	80207	US	Airport Bikes	Im Schwalbennest	Neu-Isenburg	63263	DE
Big Apple Bikes 126000	95 Morton St	New York City	10014	US	Alster Cycling	Loogestieg	Hamburg	20249	DE
Philly Bikes 127000	20 Pine St	Philadelphia	19073	US	Bavaria Bikes	Rappenweg	München	81829	DE
Peachtree Bikes 128000	2001 Summit Boulevard	Atlanta	30319	US	Capital Bikes	Reichenberger Straße	Berlin	10999	DE
Beantown Bikes 129000	299 Summer St	Boston	02210	US	Cruiser Bikes	Nienhagener Straße	Hannover	30629	DE
Windy City Bikes 130000	3010 Highland Parkway	Chicago	60515	US	Drahtesel	Ecksteinstraße	Leipzig	04277	DE
Furniture City Bikes 131000	401 W Fulton	Grand Rapids	49504	US	FahrPott	Stiepler Straße	Bochum	44784	DE
Motown Bikes 132000	1550 One Towne Square	Detroit	48076	US	NeckRad	Blumenthalstraße	Heidelberg	69120	DE
SoCal Bikes 133000	18101 Von Karman Ave	Irvine	92612	US	Ostseerad	Am Stadtwald	Anklam	17389	DE
Silicon Valley Bikes 134000	3410 Hillview Ave	Palo Alto	94304	US	Räderland	Hambacher Straße	Stuttgart	70499	DE
DC Bikes 135000	1300 Pennsylvania Ave	Washington DC	20003	US	Red Light Bikes	Mörkenstraße	Hamburg	22767	DE
Northwest Bikes 136000	601 108th Ave	Seattle	98146	US	VeloDOM	Am Hansehafen	Magdeburg	39126	DE

Due to the highly technical nature of its products, Global Bike has embraced the Internet primarily as an information channel, maximizing its potential for educating consumers and partners and marketing its products to a large audience.

Since Global Bike's main sales channel is through specialty resellers and there are complex tax issues associated with selling in multiple states and countries, they have a limited amount of internet sales.



Partner Network

Task Get familiar with Global Bike’s partner network. **Time** 10 min

Short Description Read the below narrative about Global Bike’s partner network.

Global Bike has established an extensive partner operation to ensure process continuity between Global Bike and its partners to deliver best-in-class products for its customers. Special attention has been paid to nurturing strong relationships with suppliers and Global Bike is generally the largest customer of its main suppliers.

Notes

Figure 7
Global Bike Vendors in
US and Germany

Business Partner	Street	City	Postal Code	Country/Region
Olympic Protective Gear 101000	2100 Summit Boulevard	Atlanta	30319	US
Boomtown Tire & Wheel 102000	312 Walnut ST	Cincinnati	45202	US
Dallas Bike Basics 103000	5215 N O'Connor Blvd	Irving	75039	US
Lightbulb Accessory Kits 104000	499 Thornall St	Edison	88837	US
Space Bike Composites 105000	10111 Richmond Ave	Houston	77042	US
Night Rider Aluminum Products 106000	322 S Front St	LaCrosse	54601	US
Spy Gear 107000	8405 Greensboro Dr.	McLean	22102	US
Rapids Nuts n Bolts 108000	350 Eagleview Blvd	Grand Rapids	19341	US
Green Blazers Seats 109000	13190 68th Parkway SW	Portland	97223	US
Fun n the Sun Seats n Bars 110000	5301 Blue Lagoon Dr.	Miami	33126	US
Sunny Side Up Tire 111000	4343 N. Scottsdale Road	Scottsdale	85251	US
Redwood Kits 112000	2121 Palomar Airport Rd.	Carlsbad	92011	US

Business Partner	Street	City	Postal Code	Country/Region
Burgmeister Zubehör OHG 113000	Illerstraße	Braunschweig	39120	DE
Pyramid Biking 114000	Hofstraße	Bielefeld	33647	DE
ABS Brakes GmbH 115000	Blosenburgstraße	Erfurt	99099	DE
Fiat Tire and More 116000	Tambourweg	Mannheim	68167	DE
Gummi Schultze 117000	Sträherweg	Karlsruhe	76228	DE
Lohse Schraube 118000	Rauwolfstraße	Augsburg	86301	DE
Thick Spoke 119000	Limburger Straße	Heilbronn	74080	DE
Main Carbon 120000	Klingenstraße	Würzburg	97070	DE
Shell Gear 121000	Sandkrug	Sandkrug	24149	DE
Cologne Bike Supplies 122000	Erlenhofstraße	Köln	50737	DE
Sachsen Stahl AG 123000	Sachsdorfer Straße	Dresden	01069	DE
Run & Fun 124000	Pilgersheimer Straße	München	80331	DE

 IT Strategy

Task Get familiar with Global Bike's IT strategy.

Time 5 min

Short Description Read the below narrative about Global Bike's information technology strategy.

During 2009, Global Bike integrated a shared services model for all IT functions, located in the Dallas office. Along with this move to centralized IT, Global Bike also implemented SAP ERP (version 6.0). Prior to this, divisions were running multiple, independent application environments. All ERP functions are centralized with the primary objectives to reduce costs and deliver best-in-class technology to all divisions globally. This centralized approach offers Global Bike an advanced business platform under a highly controlled environment, which enables consistency of operations and process integrity across the globe. In 2017, the company's management decided to move to SAP S/4HANA to accelerate the digital transformation.

Notes

