

## VIDEO CASE 5 Trek: Building Better Bikes through Organizational Buying

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### Video 5-3

#### Trek Video Case

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“Let me tell you a little bit about the history of Trek,” says Mark Joslyn, vice president of human resources at Trek Bicycle Corporation. “It’s a fantastic story,” he continues proudly. “It’s a story about a business that started in response to a market opportunity.” That opportunity was to build bicycles with the highest-quality frames. In fact, Trek’s mission was simple: “Build the best bikes in the world.” To do this Trek needed to find the best raw materials from the best vendors. Michael Leighton, a Trek product manager, explains, “Our relationship with our vendors is incredibly important, and one of our recipes for success!”

### THE COMPANY

Trek Bicycle was founded in 1976 by Richard Burke and Bevill Hogg. With just five employees they began manufacturing bicycles in a Wisconsin barn. From the beginning they targeted the high-quality, prestige segment of the bicycle market, using only the best materials and components for their bicycles. The first year they manufactured 900 custom-made bicycles which sold quickly. Soon, Trek exceeded its manufacturing capacity. It built a new 26,000-square-foot factory and corporate headquarters to help meet growing demand.

Trek’s focus on quality meant that it was very sensitive to the materials used to manufacture the bicycles. The first models, for example, used hand-brazed steel for the frames. Then, borrowing ideas from the aerospace industry, Trek soon began making frames out of bonded aluminum. Following on the success of its aluminum bicycles, Trek began manufacturing bicycles out of carbon fiber. The idea was to be “at the front of technology,” explains Joslyn.