



Who is Goodyear?

Goodyear is a multi-national tire manufacturer based in the United States. Known for creating durable tires that are made to last, the company manufactures their tire products for commercial and personal vehicles, such as cars, trucks, SUVs, motorcycles, and airplanes. Over 15 years ago, Teknik began to work specifically with the Goodyear location in Chile.

Client Challenges

Issue #1: Hectic Approval Process

Goodyear needed to purchase over 300-400 MROs and source these replacement parts from thousands of different vendors in different countries. Once their purchaser would issue a purchase order, management needed to approve it before sending it to the vendor. In general, this process took about 2 to 3 weeks to complete. Since Goodyear was purchasing thousands of items a year, getting approval for each order cut into their time significantly.

Issue #2: Long Lead Times

Many vendors require payment before shipping any items. The payment process would often prove stressful and lengthy, increasing lead times. The customs process also extended the arrival time significantly. For the most part, their vendors were not equipped to deal with Chile's customs requirements, which is why Goodyear purchases would arrive much later than desired. As a result, they had to keep lots of inventory in stock.

Issue #3: Inaccurate Orders

One of the largest issues they had was with inaccurate orders, which costs them thousands of dollars in revenue. Their discrepancy rate actually came out to a whopping 11%. Staff ended up disposing of many of these items instead of wasting time and money to send the orders back.

Solutions

We offered Goodyear a Procurement and Purchase Order Management solution where we would manage thousands of vendors and invoices on their behalf.

Solution #1: One Invoice and One Report

Goodyear no longer had to issue hundreds of purchase orders—we would consolidate them all into 10 to 20 a month. While Teknik would ship out one order 1 to 2 times a week, Goodyear would receive only one invoice with all the expenses they needed to pay. Purchasers would receive one comprehensive report to easily showcase the status of an order.

Solution #2: Shorter Delivery Times

In the background, Teknik managed the Goodyear supply chain. We created and adapted invoices to Chile's customs requirements; we also took care of Certificates of Origins and other special documents necessary.

Solution #3: Correct Orders on Time

Once an order arrives in our warehouse, we thoroughly check the purchase for accuracy and ensure that each item matched what Goodyear requested.

Quote

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"Purchasers would receive one comprehensive report to easily showcase the status of an order."

"Their discrepancy rate dropped from 11% to 0%, meaning they no longer wasted money on inaccurate items or disposed of any orders."

- Goodyear

Results

Since Teknik filled in as a Purchase Order Management department, Chile's Goodyear location has been able to save massive amounts of money on administrative costs. Here are the specifics:

- This specific company location went from 20 purchasers to just 2.
- Their discrepancy rate dropped from 11% to 0%, meaning they no longer wasted money on inaccurate items or disposed of any orders.
- Since switching from hundreds of invoices to only a few, their payment process is much easier, smoother, and quicker.
- The location now receives their goods much quicker due to a smooth customs process.
- Chile's Goodyear staff have been able to reduce the amount of inventory on hand, concentrate on their business operations, and limit their paperwork.