

Pirelli Neumaticos S.A.I.C. case study



Who is Pirelli Neumaticos S.A.I.C.?

Pirelli Neumaticos S.A.I.C. is a rubber product manufacturer for automotive companies based in Buenos Aires, Argentina. The enterprise creates rubber tires for automobiles of all years, makes, and models.

Client Challenges

Pre-Payments

Pre-payments were perhaps one of the most complicated issues that Pirelli Neumaticos S.A.I.C. faced due to Argentina's weakening economy. In 2019, Argentina faced a 50% currency devaluation. As a result, banks and government agencies required enterprises to submit applications in order to prepay for orders outside of the country.

During a critical period, Pirelli Neumaticos S.A.I.C. required certain materials exclusive to a particular manufacturer. Due to strict pre-payment rules, the manufacturer would not allow Pirelli Neumaticos S.A.I.C. to purchase these materials. At the time, the enterprise was unable to follow these pre-payment rules.

Critical Repairs

In the midst of another critical event, Pirelli Neumaticos S.A.I.C. required a piece of machinery to be repaired in order to continue running their plant. However, the company who produced this machinery would not complete repairs, leaving the enterprise unable to function until the plant could continue working.

Throughout these scenarios, the enterprise faced these issues in addition to the crises they experienced at the time:

Inaccurate Order Ready Dates

Pirelli Neumaticos S.A.I.C. previously worked with a variety of vendors that provided inaccurate order ready date estimates. A majority of the time, the necessary orders would be delayed by two to three months past the original date. Inaccurate estimates led to a variety of other issues.

Large Permit Refiling Costs

The enterprise was required to file a permit for most of the materials they needed to purchase. Each permit is based on an estimated ready date. Since many of the necessary materials did not arrive on time, Pirelli Neumaticos S.A.I.C. was forced to re-file for permits at a great cost. In alternate situations, the enterprise would be forced to import the material as quickly as possible in order to meet the cut-off dates.

Burdensome Paperwork

As permits are required to import materials, Pirelli Neumaticos S.A.I.C. required additional paperwork from vendors to file permits. Such additional documentation included pre-invoices, packing lists, and specification sheets. However, vendors were often not equipped to provide this information.

Solutions

Pre-Payment Resolution

Teknik Trading was able to provide order management and financing for Pirelli Neumaticos S.A.I.C. Once the enterprise placed an order with our company, we would place an order with the critical manufacturer. Additionally, since Pirelli Neumaticos S.A.I.C. was unable to pay for pre-payment costs up front, Teknik Trading financed their order to move the project along smoothly.

Proper Documentation

Since Teknik Trading is experienced in customs procedures, we were able to complete the correct documentation for the manufacturer located in Brazil and provide the correct paperwork for Pirelli Neumaticos S.A.I.C. to file their permits without hassle.

Accurate Order Ready Times

Teknik Trading prides itself on accurate order ready times. With the correct estimated dates on Pirelli Neumaticos' permits, they were able to avoid expensive permit re-filing costs.

Import Resolution

Pirelli Neumaticos S.A.I.C. was able to successfully complete the critical repair for their plant. Our solution was to import the machinery, send it to a repair team in the United States, and import it back to the enterprise.

Cost Optimization

Pirelli Neumaticos S.A.I.C. requested our help in this area since their original shipping provider had not offered other solutions. The company was able to avoid paying any import and re-export duties for the machinery requiring repair because Teknik Trading better assisted them through our knowledgeable and strategic use of logistics partners.



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Results

Since Teknik Trading integrates itself seamlessly into the teams of our clients, we provide flexible solutions to meet their needs. As a modestly sized but agile firm, we are able to complete these large and urgent requests on time. Due to our experience in global procurement, our company provided Pirelli Neumaticos S.A.I.C. with the necessary paperwork for import permits and completed the customs requirements accurately.

This successful completion allowed Pirelli Neumaticos S.A.I.C. to complete a special project that had been on standby for eight months due to pre-payment issues with a manufacturer. Additionally, the enterprise was able to repair essential machinery and re-open a critical plant to avoid losing more profit.