

CASE STUDY: Pirelli Tyre

Pirelli is a leading manufacturer of high-end and performance tires with a presence in over 160 countries and holds 21 manufacturing facilities on five continents. Based in Italy, Pirelli produces premium tires for cars, trucks, motorcycles, and motorsports with a wide range of products designed to reach the greatest performance and comfort on all roads and in all weather conditions. With its long experience in the tire sector, commitment to excellence during development, and its large sales network, Pirelli Tyre holds a leadership position across the globe.

CHALLENGE

The Pirelli name is synonymous with high performance and top quality. The company's IT department is no different, deploying only the most sophisticated technologies to ensure the efficiency and effectiveness of the organization, and the superior quality and reliability of its products. As an example of this tradition of innovation, Pirelli was the first company in Italy to deploy SAP R/3 Enterprise Resource Planning (ERP) software back in 1994, and the company has been heavily invested in Business Intelligence software since the early days of that software market.

More recently, Pirelli senior management, in conjunction with Pirelli CIO Alessandra Banfi, mandated a review of Pirelli's IT infrastructure to ensure that the systems supporting the business were as proactive and modern as possible. The goal was to evolve Pirelli's IT systems to create an event driven architecture, "pushing" relevant information and actions to the business users who need them, rather than a traditional "pull" architecture that can create information gaps and costly time delays.

APPROACH

Pirelli's IT review led the company to conclude that an advanced business process management (BPM) software platform with tightly-integrated enterprise data management, native mobility and social collaboration was essential for its IT infrastructure evolution. The company's investments in ERP, business intelligence and other enterprise technologies were not sufficient to create the modern, nimble, real-time event-driven architecture it desired.

Pirelli evaluated many major BPM technology providers, ultimately choosing the Appian Suite as the most advanced, yet easiest to use platform on the market. In addition to Appian's drag-and-drop, code-free design and its integrated process, analytics, reporting, events, and content management capabilities, Pirelli saw Appian as a pathway to the future through

its innovative application platform capabilities combining process management, Appian Records data navigation, native mobile apps and a zero-training social collaboration interface.

The company contracted Easynex, a leading Italian BPM services company and Appian partner, to drive its initial implementation, with the goal of rapidly becoming "BPM self-sufficient" for subsequent deployments.

SOLUTION

Pirelli has an extensive roadmap of Appian-based deployments touching various aspects of the organization's core business processes. This roadmap ranges from processes for sales and product design to invoicing, systems management, purchasing, quality control, safety, and environmental impact.

Working with the Easynex team, Pirelli designed and deployed an Appian application to improve its Mould Management process. The Appian solution accelerates the crucial function of managing and executing requests from automobile manufacturers for new tire types, or for changes to existing tire models. Appian handles the input and routing of these requests and ensures the completion and hand-offs of the related work tasks.

Pirelli's second Appian deployment involved a direct integration to the company's SAP ERP system. The solution, called "Decomplexity," explicitly ties the various project specifications in the ERP system to the related business processes conducted in various departments across the company. When projects follow clear paths, Appian optimizes process flow, collaborations, approvals, etc., and ensures the accuracy and consistency of the underlying data. More importantly, when exceptions to standard processes arise, Appian surfaces those exceptions, triggering alerts to involved parties and enabling rapid collaboration to resolve issues.



Additional applications deployed on the Appian platform across Pirelli's business include:

Development & Production Management:

- **Major Breakdown Analysis** - analysis of breakdowns longer than 8 hours related to factory machinery. Accelerates response times and supports prevention of similar defects, in order to reduce production losses and maintenance costs. It includes a widely-shared knowledge base that is easily accessible across the company.
- **Scouting Innovative Materials** - management and monitoring of the new material scouting process. Activities involve the definition of material applications in Pirelli products, and the performance/economic effects that could be reached through the use of these materials.
- **Advanced Product Quality Planning/Production Parts Approval Process** - monitoring and management of homologation of new tires. The process starts from a planning phase where responsibility and deadlines for each activity are set. Tasks are then assigned to the correct individuals, and alerts ensure these activities are completed on time.

Vendor Management and Customer Billing:

- **Vendor Rating Management** - monitoring of all steps (Questionnaire evaluation, Who Rates Whom, KPI Validation, Questionnaire Answer Collection and elaboration, Rating Calculation) and the actors involved in a Vendor Rating Campaign. Reduces time by sending automatic reminders and escalating tasks.
- **FI Invoices** - management and monitoring of invoices without a purchase order in Pirelli's SAP FI module. Automatic reminders as deadlines approach optimize invoice approvals and better manage relationships with suppliers.

Safety & Quality Assurance:

- **Health, Safety & Environment** - data collection and safety incident analysis aimed at incident reduction and improvement of working safety conditions. Safety and environmental data collection supports Pirelli's Corporate Social Responsibility practice and eliminates unsafe conditions on site.

- **Outgoing Quality** - management, monitoring and analysis of quality issues on products which have not yet reached the market.
- **Excellence in Quality** - management and monitoring of quality issues in production plants. Five macro-processes are managed and interrelated: dialogues, escalations, events, meetings and problems. Administrative utilities are also provided and QlikView is used for data analysis and management dashboards.
- **Rolling Follow Up** - management, monitoring and analysis of quality issues coming from resellers or customers. This application accelerates issue management and resolution times, and drives better corrective and containment actions.

RESULTS

Pirelli has already seen significant improvements in the overall efficiency and effectiveness of its deployed Appian processes. The Mould Management application has accelerated the speed of the company's response to customer-requested changes. This has improved the Pirelli customer experience in terms of service responsiveness and the quality of Pirelli's products, while also reducing the re-work previously required due to inconsistent data, processes and customer communication. Both the Mould Management and Decomplexity applications have also increased structure and management visibility around what were previously opaque email-based ad hoc human processes.

Appian's ease of use and the quality of BPM knowledge transfer conducted by Easynex has enabled Pirelli to become self-sufficient in BPM technology in a short period of time. The company has established its own internal cross-functional BPM Center of Excellence, supplemented by advisory support from KPMG. This means Pirelli is able to rapidly continue expanding its Appian program across the organization in a well-governed and cost-effective manner.

Appian

Appian delivers an enterprise platform for digital transformation that enables organizations to reinvent their customer experience, optimize their business operations, and master governance, risk and compliance. Powered by industry leading Business Process Management (BPM) and Case Management

capabilities, Appian's low-code approach can radically accelerate the time it takes to build and deploy powerful, modern applications, on-premises or in the cloud.

For more information, visit www.appian.com