

Business Policies

Better predictability and improved customer service

As part of our strategy to be seen as the quality leader in supplying goods and services in the market, the Europe & Africa region implemented general conditions to manage customer expectations and orders at Europe in 2011. The focus was on sales order management areas, with the target to reach better predictability and improve customer service.

The region developed business policies to improve the planning reliability, and reduce administrative rework and ad hoc requirements both for our customers and ourselves. The key initiatives were:

Lead-time: A standard lead-time of 12 weekdays was announced where the company guarantees execution, assuming material and truck availability as well as administrative work are within regular process flow. For a delivery requested for immediate arrival, a surcharge would be applied.

Order changes and cancellation: If a customer requests order changes and cancellations within the pre-defined timeframe, the company guarantees execution without extra cost. If the request is placed with short notice, a surcharge would be applicable.

Full truckload: A minimum volume order per truck is requested. If the loading weight is less than required, a minimum surcharge would be applicable.

Announcement letters were sent to our customers outlining the content of the business policies, to further give a detailed introduction of these policies, and sales representatives visited them and explained the benefits of this process. The customer service team is responsible for implementing and monitoring the policies at the time of order receipt. The team is in close contact with customers to inform and explain if surcharges based on business policies have to be applied and how they can avoid it.

These policies have been received well by our customers and the majority of them have integrated them into their order behavior, gaining the benefits of improved planning, and the reduction of administrative rework and ad hoc decisions. For some, their business strategy supports the payment of surcharges to remain, with full flexibility where we see compensation of our costs associated with the special requirements.

We have also contacted small and large customers and we work closely with the local tire industry, as well as with others, to align their order management with our business policies to improve their internal processes.

Overall the business policies are seen as a tool to ensure reliability and not as selling a value-added service. Customers have acknowledged that adhering to our business policies provides benefits for their daily work.

Note: For the time being, the business policies do not apply to shipments from Egypt.