

PIRELLI

Digitalisation to Improve Organisational Efficiency

Pirelli is among the world's major producers of tyres and associated services, and the only one focused solely on the consumer tyre market. The company produces tyres for cars, motorcycles and bicycles. With 18 production plants in 12 countries and a commercial presence in over 160 countries, Pirelli has around 30,700 employees and has a revenue about 6.6 billion Euro (FY 2022).

BALANCING SIMPLIFICATION WITH INTEGRATION

In 2018, Pirelli launched a major digital transformation project involving all company departments. The project stems from the company's drive to redesign its operating model to continually improve the organisation's efficiency through a more agile and digitised structure, and to generate new growth opportunities by strengthening Pirelli's positioning in the high-value market segments.

Pirelli's overall goal with digital transformation is to balance business process simplification with easy-to-use integration applications that can save time and reduce the complexity of day-to-day operations. The transformation is being applied in four strategic areas: sales, integrated planning, product development, and production.

ENHANCING B2B THROUGH DIGITALISATION

Following the pandemic and consequent acceleration of e-commerce, Pirelli Singapore consolidated its sales and relationship management efforts on websites and applications with dealers (tyre dealers, leasing companies, retailers) as well as with their own ASEAN network of importers and agents. In 2019, Pirelli Singapore completed its B2B+ (TyreClub+) Platform.



Subsequently, in 2023, Pirelli Asia began to adopt a Salesforce-based CRM platform to optimise the current operational B2B+ portal. The new Pirelli B2B Commerce platform, to be launched next year, will offer clients an enhanced self-service digital environment allowing end-to-end observability of the customer experience, including simplified order management and delivery tracking from the third party 3PL logistic warehouse in Singapore.

Digitalisation has fostered better coordination and collaboration among resources deployed in Singapore, Shanghai (APAC HQ) and Milan (Global HQ). Pirelli Asia is focusing on both internal processes and external ones, creating efficiencies in sales, marketing, and relationship management with dealers.

NEXT MODULAR INTEGRATED ROBOTICS SYSTEMS

MIRS (Modular Integrated Robotised System), developed by Pirelli and implemented in 2000, is a key indicator of Pirelli's long standing commitment to driving innovative processes in the digital field. MIRS allowed the work of robots to cover the entire production cycle for a Pirelli tyre. Through the MIRS process, a tyre is built continuously by robots around a drum that the machines pass "from one mechanical hand" to the next. This was followed by the next iteration of Pirelli's robotic tyre production system (NEXT MIRS) which enables a high product mix and consolidation of output volumes. This demonstrates how Pirelli has consistently kept pace with digital innovation updates in tandem with the emergence of new technologies. Furthermore, Pirelli facilities in Settimo Torinese will utilise the NEXT MIRS system alongside Pirelli's sustainable devel-

opment strategies – demonstrating how digital efforts can further sustainability.

MANAGING THE CHALLENGES ASSOCIATED WITH DIGITALISATION

All organisations face cultural challenges and some level of "resistance" before and during the adoption of new enabling technologies. Training, education, and transparency are all integral to overcoming hesitance in the face of changes in working methods. Pirelli adopted a progressive approach to ensure that no employee was left behind in adopting new tools, focusing on data accuracy and system reliability. This approach also utilised new dashboards to facilitate collaboration between management and staff on shared cloud-based reports.

MSFT Teams propelled remote work, collaboration and knowledge sharing during and after the Pandemic. While it was originally a platform that Pirelli was "forced" to adopt, it has now become a norm: sharing data and information on distributed, integrated and on-cloud platforms like Salesforce.com has reduced duplication and increased savings, leaving more time to focus on customers' needs on a more proactive basis.

DIGITAL FOR SUSTAINABILITY EFFORTS

The Pirelli sustainability plan with targets for 2022, 2025, and 2030 supports eleven of the UN's seventeen 2030 sustainable development goals. More specifically, the company is committed to promote, develop and implement sustainable and responsible procurement. This commitment applies to fundamental cooperation with suppliers, digital monitoring of suppliers' performance, and collaboration on multi-stakeholder platforms.

Importantly, Pirelli pays great attention to the innovation of processes, including certification to ensure the sustainability of the materials' supply chain from its origins.



PATENTS SUPPORTING SUSTAINABLE INNOVATION

Pirelli is continuously striving to improve the sustainability, performance, and safety of its tyres. These objectives underpin the patents filed every year by the company with the European Patent Office (EPO) in Munich.

Patents were filed in several areas in 2022, but almost all conform to the ideals of sustainable innovation. Specific patents include vegetable oils, naturally occurring

polymers, as well as textile and metal reinforcements to improve mileage, reduce tyre weight, minimise noise and decrease rolling resistance. The search for new materials and innovative tyre components has always driven Pirelli's patent applications, alongside the goal of raising awareness of and developing innovative processes.

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