

Overall Winner

Best in Class Treasury Solution in ASEAN

Goodyear

James Ho, Regional Treasury Manager



Goodyear is one of the world's largest tyre companies. It employs about 72,000 people and manufactures its products in 55 facilities in 23 countries around the world.

Single bank solution addresses 56 pain points for Goodyear

The challenge

Goodyear's legacy treasury cash management and working capital operations were the result of a project before 2008. This also pre-dated the set-up of the shared services centre (SSC) in the Philippines in 2018.

A project team led by treasury and including partners in finance and the SSC was launched in early 2018 and after a six-month review Goodyear had identified 56 pain points which translate into actionable objectives to:

- Standardise across the region and achieve operational efficiency by providing the businesses with the best and most streamlined cash management and working capital solution for existing and developing commercial and procurement practices.
- Enhance visibility and control of account balances and activities by adopting a leaner bank account structure concentrated on a single provider.
- Further centralise AP, AR and HR activities across the region in the SSC.
- Make better use of Goodyear's technology platform (SAP) to improve controls and automation.
- Measure and enhance overall working capital management key performance indicators (KPIs) for payments, collections, trade, integration, automation and security.

A request for proposal (RFP) was launched in 2019, resulting in the selection of Citi in late 2019 and an immediate implementation kick off.

"The team led the project successfully through the immense and unprecedented COVID-19 crisis," explains James Ho, Regional Treasury Manager.

The solution

Digitisation, visibility and automation are at the heart of the project and many of the pain points identified demanded the adoption of the most recent practices and innovation.

Customer satisfaction and credit management – legacy practices made it complex to identify rapid payers and the COVID-19 crisis only made the issue worse. By adopting a single banking partner instead of multiple



legacy local banks, Goodyear was able to introduce consistent reconciliation rules and adopt virtual payer bank accounts to identify payers immediately and release the delivery of goods to distributors and repair shops.

Liquidity and control – Goodyear rolled out SAP BCM and Bank Monitor, allowing treasury to get instant visibility on flows and balances. Payer ID solution enhances cash collection and reconciliation.

Robotic process automation (RPA) – thanks to the adoption of XML ISO 20022 for payment initiation and better data and improved consistency across the region, Goodyear's SSC and local business operations are automatically able to initiate, monitor and reconcile files and flows for greater accuracy and control.

Digitisation of cheques collected – the next step of the customer experience improvement journey will be about transitioning customers to electronic payments, leveraging the traditional bank transfers and the utilisation of instant payment/mobile payments in the countries where they are available.

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Best practice and innovation

A best practice and key success factor at Goodyear is the treasury team's focus on collaboration, preparation and benchmarking.

Collaboration was both internal across the various functions and geographies in-scope as well as under constant guidance from HQ in the US, but also in the way Goodyear partnered with banks to get the best responses to their RFP. By engaging early on and sharing very well prepared and curated data and giving access to stakeholders like the SSC, Goodyear enabled the banks to really understand their business and pain points and therefore ensured the solutions presented were fully customised.

The project is a prime example of how traditional industrial companies, through discipline and coordination, even in the most testing times, need first to

restructure their underlying processes for better control, visibility, automation and centralisation before adopting new technologies and processes supporting and enabling business growth.

Key benefits

- Holistic solution.
- Standardised processes.
- Supports business growth.
- All pain points addressed.
- Improved visibility.
- Increased digitisation.
- Single bank interface and 100% STP rates.
- ASEAN treasury operations migrated to SSC.



From the onset, it became rapidly clear Goodyear's project was not just about replacing one bank by another in a wider game of wallet allocation. It was about transforming the treasury of Goodyear in Asia to prepare for a strategic treasury function more embedded into the business objectives of the firm. Through workshops and benchmarking, Citi tailored a roadmap specific to Goodyear to resolve their immediate pain points through greater automation, standardisation and centralisation, and that would enable the Asia treasury team to constitute a solid bedrock to build a treasury services platform immediately and deeply engaged in business initiatives.

**Vincent Couche, Asia Pacific Industrials Sales Sector Head,
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