

MAKING BUSINESS MORE SUSTAINABLE

Continuous improvement drives energy-saving effort at Goodyear







Challenge

- Retrofit a warehouse with environmentally friendly lighting fixtures
- Reduce electric consumption
- Achieve sustainable return on investment
- Minimize workflow disruption during transition
- Secure related state and federal program incentives

Solution

- Design and manage the installation of a lighting package that:
- Uses less electricity and costs less
- Automatically turns off lights when no motion is detected
- Environmentally friendly solution
- Is self-funding in 12 months or less

Results

-  Kilowatt usage & cost of electricity
-  Greenhouse gas emissions (indirectly)
-  Bottom line benefits
-  State and federal tax savings

As global warming grabs world headlines, more and more companies are seeking ways to become better environmental stewards. At Goodyear Tire & Rubber Company, executives have long considered conservation a key to sustaining its world operations. “We look at energy-related performance at our operations as part of our monthly management reviews,” said Kevin Olifiers, vice president of supply chain for Goodyear’s North American Tire business. Such thinking has helped make Goodyear one of the most admired companies in the United States.

A long-time supply chain supplier, Exel has earned the trust of Goodyear leadership and gained key insights into its operations. Exel provides warehousing and distribution services at multiple sites in the United States, and continuous improvement programs seek to enhance performance in all aspects of its supply chain. When the review of one site showed that a seemingly simple change could dramatically reduce Goodyear’s electric consumption, Exel proposed a solution. The result was a success that points to even greater possibilities for the company.

→ The Challenge

A lighting analysis conducted by Exel at Goodyear’s Victorville, Calif., site revealed a startling opportunity: switching from metal halide to T5 fluorescent lighting would drive dramatic energy and cost savings.

“We determined that the more energy-efficient T5 lighting could reduce Goodyear’s electricity consumption by at least 35 percent,” said Denise Mager, director of solutions for Exel’s Automotive business unit.

Making the change, however, would require very careful planning. New fixtures would need to meet or exceed existing lighting levels in the warehouse, particularly in the dock area where product is readied for shipment. To keep costs down, changes would have to happen during normal operating hours with minimal impact on operations.

Goodyear also required a return on the investment within 12 months — and wanted to leverage possible tax incentives, which needed to be studied and understood.

→ The Solution

Exel drove the project from inception to completed implementation. “We managed every step of the process — from coordinating discussions with lighting vendors and local utilities, to scheduling installation with as little disruption as possible,” Mager said.



Automotive

Making Business More Sustainable

“We plan to implement this program at other Goodyear locations where the savings, lighting requirements and ROI can be achieved.”

-Kevin Olifiers,
vice president of supply
chain for Goodyear’s North
American Tire business

In just two-and-a-half weeks, Exel oversaw the successful transition to the more sustainable lighting system. Employees maintained normal workflow while the vendor retrofitted the fixtures, lamps and ballasts in the stocking and dock areas of the warehouse. Exel also identified available state and federal tax incentives and rebates, and alerted the appropriate agencies to the changes Goodyear had made.

→ The Results

The project was delivered on time and on schedule, and results surpassed the projected savings.

“The impact to the bottom line was immediate,” Mager said. “Within days of installation, careful tracking showed reduced electric consumption.”

Among the project successes:

- The site’s electricity costs dropped by 47 percent
- 1,632 fewer metric tons in greenhouse gas were released into the atmosphere per month
- Employees in the warehouse and docking areas saw no decrease in available lighting
- Goodyear saw a return on the investment within the first month
- Acquired local utility incentives and rebates



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Automotive Industry Experts:
800.272.1052
consult.automotive@exel.com
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