Various solutions support Bridgestone's drive to be number one

BRIDGESTONE

Bridgestone is one of the leading producers of premium tyres for customers around the world, providing tyres for passenger cars, trucks, aircraft and even construction and mining vehicles. With Credendo – Trade Credit Insurance's support and the use of its various solutions, Bridgestone has been able to cover the riskier portions of its Europe and Middle East portfolio. Having Credendo as a reliable partner, capable of finding solutions that work, will be instrumental in supporting Bridgestone's ambitions to become the number one global tyre provider.

RUI MARQUES DA SILVA,

Head of Credit at Bridgestone EMEA

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The Bridgestone Group is one of the leading global providers of tyres, providing tyres for a wide range of needs – from cars, trucks and aircraft to construction and mining vehicles. It also provides a variety of rubber products, including shock-absorbing plates used in high-rise buildings to withstand earthquakes and the rubber used inside golf balls.

The company is present in more than 150 countries, employing around 115,716 people. It has 120 manufacturing sites and R&D facilities globally, as well as a network of around 10,000 retail shops around the world.

While first established in Japan in 1931, the European subsidiary of the company was not set up until the early 1990s. Currently, Bridgestone in Europe, Middle East and Africa (EMEA) is the regional strategic business unit of Bridgestone Corporation and is headquartered in Belgium. It employs more than 20,000 people and operates in around 40 countries across the region.

While Bridgestone holds significant global market share, it continues to compete with other global tyre providers for the top spot. However, with the centenary of the company's establishment approaching in 2031, Bridgestone's growth strategy has set the goal of becoming the number one global provider of tyres within five years.

Given such ambitions, it is important to have a trustworthy and reliable partner such as Credendo on board to help manage the company's risk exposure while it grows, said Rui Marques da Silva, Head of Credit at Bridgestone EMEA.

Bridgestone EMEA first started working with Credendo in 2023 via its Dubai office from where it manages its Middle Eastern operations. Given the regional volatility, finding an insurance partner was a priority for Bridgestone to help manage risks.

The company's first contract with Credendo was a ground-up policy that covered all risks within Bridgestone's Middle East portfolio. "We were looking for a full-bodied solution – not just part of the cake," Rui Marques da Silva said, noting numerous political and economic risks in the region – including the current Iran crisis – that require careful risk management.

In contrast, in the more mature European markets, Bridgestone only required Credendo cover for part of its portfolio. These were the debts that the company's primary insurer was unable to cover due to capacity constraints. In this instance, Credendo – Trade Credit Insurance stepped in with its layer policy to help tackle some of these capacity issues.

The layer policy allows Credendo to grant additional cover on top of an existing primary policy given by another insurance company. Credendo makes its own assessment on the debtor and decides what is the appropriate level of additional cover that can be granted to the customer.

"We were able to obtain 15–20% more coverage for our receivables on top of the original insured," Rui Marques da Silva explained. "This gives us peace of mind, allowing us to focus on our business knowing that our partner will be there in case something happens," he added.

Credendo's support was particularly useful in Italy, he said, where economic volatility, high frequency of late payments, numerous insolvencies coupled with lengthy legal proceedings can make it a challenging market to operate in. "We moved from coverage in the range of 45–50% before starting with Credendo. Now we have around 75% of total coverage on our portfolio."

Rui Marques da Silva said he values Credendo's ability to listen to the company's needs. "We appreciate Credendo having the ability to jump on the boat with us and find a solution. We have managed to reach a good balance between both our and Credendo's expectations."

Credendo's ability to find solutions to problems was further demonstrated when Bridgestone eventually decided it wanted to streamline the two separate Middle East Credendo policies, bringing them under the same and wider programme, called the umbrella structure.

"As a multinational we look for simplification and a single point of contact with a single programme. I made a request to Credendo asking to bring these two separate policies together," he said.

"It features what most multinationals like to have; one set of rules and underlying method, an invoicing flow and most of all a single point of contact that can give us an answer on the entire programme," he said.

Bridgestone also turned to Credendo again when working out how best to structure its South African business. Initially this policy was insured through the Brussels office, via a 'sales by another entity' construction, but this was only intended to be a temporary situation and a more permanent framework was needed.

A solution was found so that all the business of the South African entity is now directly insured under a local South African policy that flows via Credendo's local fronter.

"Credendo is always listening, looking to understand, and tries to find an option and works it out," said Rui Marques da Silva. "Credendo is always on top of things and follows up. If they commit with you to do something today or tomorrow – it actually happens. I really appreciate this," he added.

Pieterjan Rubens, Account Manager at Credendo – Trade Credit Insurance added: "You can feel that the people behind Bridgestone are really ambitious and that is what also motivates us to support the company's ambition in terms of credit risk and providing solutions for capacity shortage."

Looking to the future, Bridgestone will soon be setting ambitious targets in order to reach its goal of being the number one player in the global tyre business by 2031. Yet, pursuing growth will not be without its challenges given the highly competitive market, especially considering the increasing number of new players emerging from Asia.

"These new brands are becoming higher in their quality but lower in their price points – we will need to keep fighting for market share," Rui Marques da Silva said.

Having Credendo on board will be essential, said Rui Marques da Silva. "We will not change the way we do business – we still want to have a strong partner next to us to cover our business and with the capability of supporting us on our growth path."

PIETERJAN RUBENS,

Account Manager at Credendo

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