



Save Money and Improve Store Efficiency

“ Chevron PitPack® saves money, frees up cash and enables us to manage a wide range of product SKUs. ”

*Operations Director
American Tire Depot*



Challenge: American Tire Depot, with more than 100 stores in southern California and Hawaii, is a family owned and operated tire dealer that also provides automotive maintenance services including oil changes. Prior to switching to Chevron, American Tire Depot typically stored their conventional oil in bulk tanks and their premium oil in drums. However, the drums caused a multitude of challenges, such as: scheduling pick-ups, storage of empty drums, and inefficient product ordering. These challenges resulted in unacceptably high cost of goods for the business.

Assessment: The Chevron team visited several American Tire Depot locations to assess oil inventory and storage requirements. Due to the number of SKUs required to meet customer demand, the team quickly recognized that the current system of purchasing and storing oil in drums was inefficient and expensive (tying up too much cash from drum inventory that was not turning fast enough). The team recommended that American Tire Depot implement Chevron PitPack to effectively manage inventory and costs.

Solution: American Tire Depot understood the benefits of Chevron's recommendation and implemented PitPack as a SKU complexity solution in their 100+ stores. As part of streamlining their distribution process, the company now purchases oil once a month and the product is delivered directly to its distribution centers. From the distribution centers, the oil is delivered to the stores at the same time the tires are stocked. This new process enables effective inventory management and generates significant savings for the business, compared to the previous method of maintaining overstocked drum inventory.

Results: American Tire Depot has reduced their cost of goods by implementing just-in-time inventory management enabled by Chevron PitPack, thereby freeing up cash, improving distribution of growing full synthetic and high mileage products, and increasing store efficiency. Additionally, the move to PitPack has been environmentally responsible and improved employee safety by avoiding incidents related to handling heavy steel drums. As an added benefit, the American Tire Depot stores are now cleaner, more attractive and better organized.



Chevron PitPack enables effective management of SKU complexity and frees up cash from drum inventories.

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