



Commonwealth Bank

Media Release

COMMONWEALTH BANK LEADS THE INDUSTRY IN e-PROCUREMENT

Sydney, 12 August 2002: With more than 5,000 employees using the online e-procurement system to order goods and services, the Commonwealth Bank of Australia has successfully implemented e-procurement across its enterprise, with internal take-up rates among the highest in the world.

The Bank has rolled out the Ariba® Buyer™ Procurement solution to 1,500 locations across the country.

Re-engineering the procurement processes and integrating them with the PeopleSoft financial management platform has significantly reduced the Bank's request-to-payment processing costs and delivered the company a scale advantage.

Ross Peoples, General Manager Group Procurement said, "The Commonwealth Bank generates 600,000 transactions annually. Seventy per cent of these will be processed electronically this financial year at half the cost of paper-based processing. This take up is giving us an excellent return on our investment. We have driven the trend away from manual payment methods and helped the push toward using business credit cards for ad hoc low-value purchases, rather than cheques and charge cards. Overall we find that paperless processing delivers improved management control and better visibility of spend."

Mr Peoples added "Our employees have really got behind ordering goods and services online. More than 80 per cent of users rated our system as more user-friendly and efficient than previous paper-based systems. Not only does e-procurement save time and money, but people like to use it."

A group of 123, mostly Fortune 500, companies participated in the latest Ariba® Benchmark Program™ in which Ariba collected and compared statistics from Ariba Buyer implementations worldwide. In key criteria the Commonwealth Bank was one of the top four participants. Criteria included the percentage of regular active users of the system and purchasing transaction volume. Among finance services industry participants, the Bank was ranked number one out of 29 participants in these areas.

Allan Smith, CEO of Ariba Australia said, "This is an excellent result for the Commonwealth Bank. The Ariba Benchmark Program aims to inform companies how to maximise return on investment in the rapidly changing procurement landscape. It also helps us identify trends to improve future Ariba product development."

“The Bank continues to look for opportunities to re-engineer and automate its procurement processes,” Mr Peoples said. “Currently, our focus is services procurement and we’re working with our provider, Cyberlynx, to utilise selected technologies for contract labour and print.”

In a bid to leverage internal and partner expertise in electronic procurement, the Bank has set up a new business development arm within its Procurement area to assist corporate clients in planning and implementing e-procurement strategies.

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