



Case: OP Bank Group Central Cooperative

- HANKI is the largest purchasing system in Finland

OP BANK GROUP CENTRAL COOPERATIVE IN BRIEF

OP Bank Group Central Cooperative (OPK) is a development and service centre, strategic ownership community and central community in charge of group control and monitoring for the entire OP Pohjola Group. OPK's task is to create the prerequisites for the implementation of the common goals of the group.

OPK's operations include Banking and Investment Services, Customer Care Services and Distribution Channels, ICT and HR Services and Finance and Risk Management.

OP Pohjola Group is formed from approximately 230 independent cooperative banks, OPK and the listed commercial bank OKO Bank plc and their subsidiaries. The Group has a staff of over 12,000.

SOLUTION'S CUSTOMER BENEFITS

- Centralising purchasing power, or the utilisation of discounts allocated for large order volumes
- Lower costs for the order process
- Faster orders
- Approval before ordering
- Easy to use, thus attracting new users

Approval during the ordering phase

Even before Pohjola joined the Group, the Cooperative Bank Group included thousands of staff members performing purchase orders. For this reason, the Group had had an electronic ordering system in use since 1998 but it was hoped that this system, based on product numbers, could be made easier to use and the entire procurement process more effective.

Even with the old ordering system, the Cooperative Bank Group had been able to rid itself of its printed content, business gift and office supply stock, whereas Pohjola had its own central warehouse for corresponding products.

In particular, there was a desire to renew the procurement approval process. Previously, invoices had required approval but the hope was now that the system could be changed so that orders required such approval. In addition, there was the aim to render reporting more extensive than previously.

An important goal for the new purchasing system was ease of use; that the system could be implemented without training. Purchasing process costs also needed to be decreased. In addition, it was hoped that buyers using local suppliers would be attracted to using the system by its user friendliness, in order to reap the benefits of the system's annual EUR 200 million in purchasing power as extensively as possible.

As of the summer of 2007, the new HANKI system developed by OPK and SYSO-PENDIGIA has been used throughout OP Pohjola Group, with nearly 4,000 users. The cooperative banks have already been able to utilise the HANKI system since 2006, and it has been praised for its user friendliness and speed of delivery, its use increasing by 25 per cent in one year.

The HANKI system can be used to order pens, coffee as well as workstations. Approximately 9,000 different products can be ordered, with around 20 major suppliers maintaining their product catalogue through an XML interface, while smaller suppliers can update their information on the Extranet. Persons in charge of purchasing need only approve any changes the suppliers have made.

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The orderer logs into the system, collects the items he or she needs in the shopping basket and sends the order to the approver. If the order is approved before 10 a.m. the items will arrive the next day. Users have been very pleased with this feature, since orders were previously delivered once a week.

The orderer also acknowledges that the order has been received. After this, the system compares the electronically delivered purchase invoice to the order and, if everything adds up, the invoice is transferred posted and approved to accounts payable and receivable.

Since HANKI includes information on the nationwide service contracts OPK has made, in addition to goods, the system makes service procurement more effective.

A centralised system also unifies the corporate image and guarantees that business gifts, for instance, are in line with the brand.

Half of OPK's procurements are now made through the HANKI system and centralised contracts. "Our goal is that HANKI will always be the primary option and separate purchases will be made only in special cases, where the product can't be found among the selections," reports Antti Saarelainen, Procurement Director, OPK.

The challenge of combining ease-of-use and effectiveness

OPK and SYSOPENDIGIA have cooperated closely for over ten years, and even OPK's first purchasing system was supplied by Sentera. This was a good place from which SYSOPENDIGIA could continue.

"When developing the system, one of the most focal issues was the description of the processes. In our opinion, we did this extremely carefully, but I guess you can never be too careful. In addition, describing the terminology requires time," ponders Antti Saarelainen on the implementation, emphasising that testing the product on the end users proved to be extremely useful. This revealed many improvement suggestions which could only be given by a genuine user.

The major challenges for SYSOPENDIGIA were combining ease-of-use and effectiveness. "In addition, the effortless sharing of user rights needed more consideration than normal, since this

TECHNOLOGY USED IN THIS SOLUTION

- eEngine by SYSOPENDIGIA
- iSuite by SYSOPENDIGIA -integration solution
- Web-user interface
- XML-interface to volume suppliers and invoicing solutions

is the largest purchasing system in Finland," describes Kristiina Kuivanen, Project Manager, SYSOPENDIGIA.

Based on customer feedback, the system is a success in terms of ease-of-use. A demonstration at larger locations and supporting video training material placed on the intranet sufficed for the web browser training.

"The next development targets include the homepage and product grouping, issues which have arisen during daily work only," continues Mr. Saarelainen.

Roy Nurmi, Director at SYSOPENDIGIA, emphasises the meaning of an excellent and close customer relationship. Once again, HANKI has proven that close cooperation forms the best basis for a successful end result. The customer's innovativeness combined with SYSOPENDIGIA's technical knowhow have created a world-class solution that can be copied for a range of organisations.



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