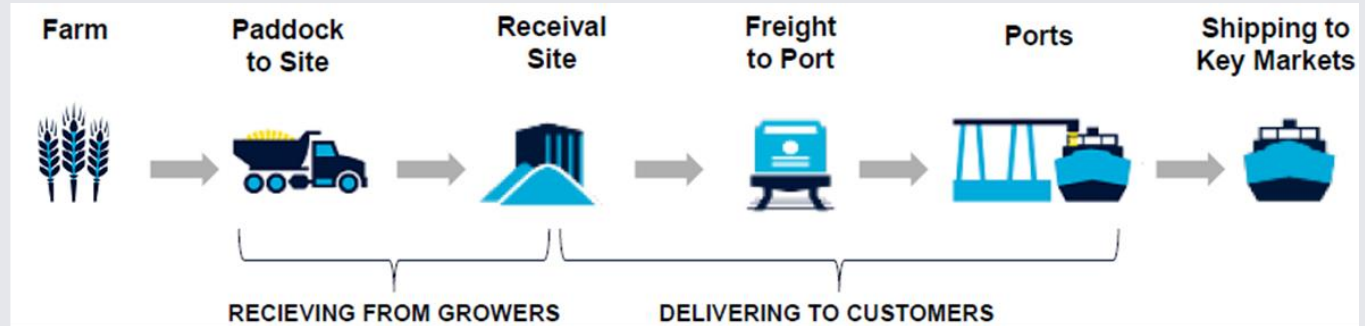


Introduction to CBH Group

CBH is Australia's largest co-operative receiving and exporting ~90% of WA's grain harvest through more than 100 receival sites and 4 ports.



CBH is the largest cooperative in Australia

Operations extending along the value chain from fertiliser to grain storage, handling, transport, marketing and processing

\$4bn grain sales, ~25% of Australia wide grain exports

Procurement challenges back in 2017

The CBH Board and Management raised concerns that procurement activities didn't consistently achieve desired outcomes that provide value for money.

Procurement Performance

Procurement does not consistently achieve outcomes that provide Value for money



Procurement Talent and Capability

Insufficient procurement capability and understanding of best practice across CBH



Procurement Processes

Procurement processes not fit for purpose



Compliance

Lack of compliance to procurement policies



Leadership

Leadership does not adequately support central Procurement



Organisational Set-up

Structure does not enable required procurement outcomes



Procurement Culture and Behaviours

CBH culture lacks commercial acumen



Engagement

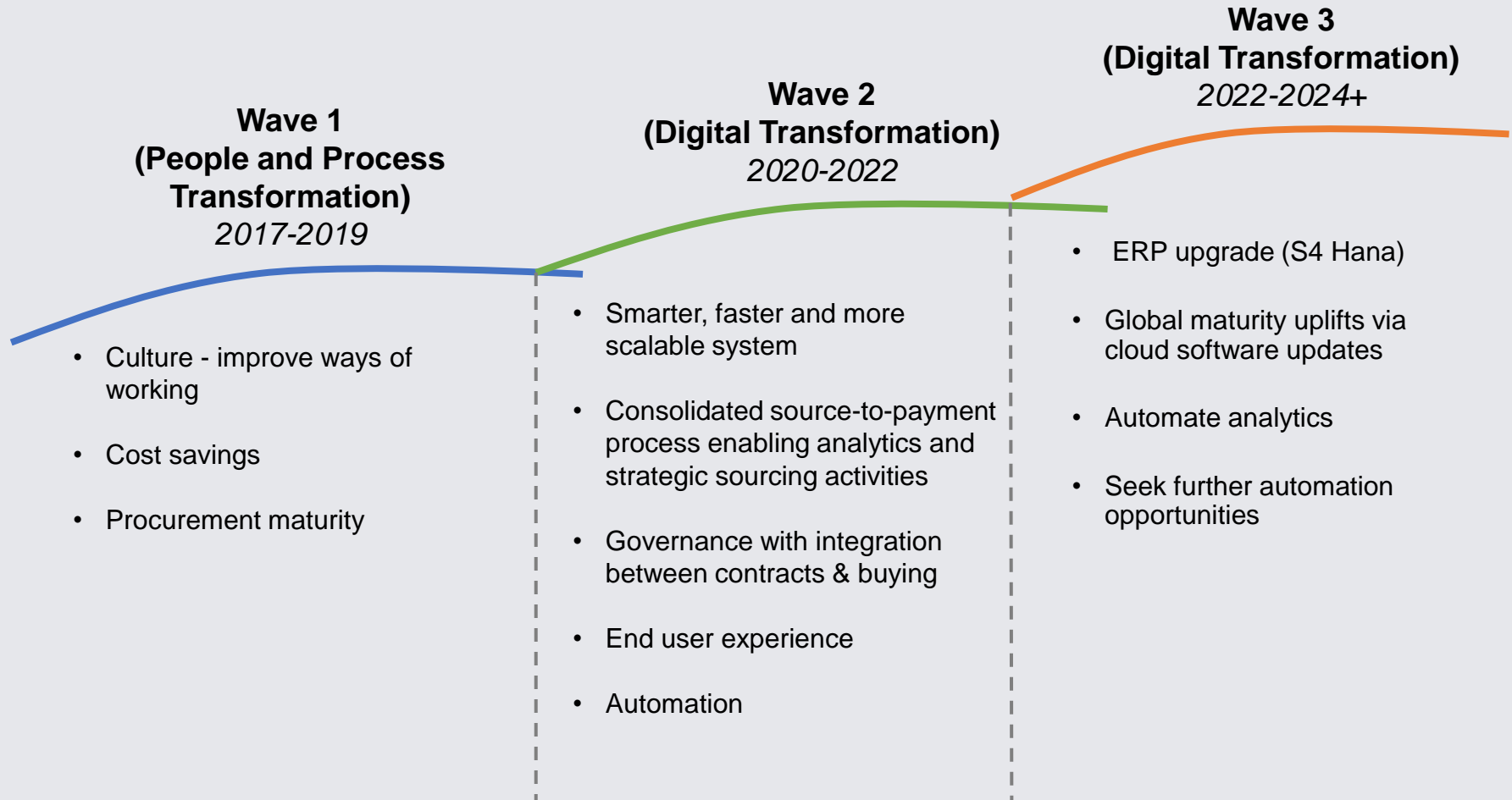
Collaboration between Procurement and other functions is insufficient



*Themes raised by
CBH Board
Members and
Executive
Management*

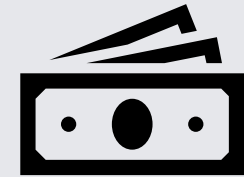
Transformation Roadmap

Commenced a transformation program to uplift procurement maturity that focused on people and process then was further enabled by technology improvements.



People & Process Transformation Outcome

Through an improvement in procurement culture and maturity we realised significant procurement savings



Culture

- Spend Smart Principles
- Increased customer satisfaction
- Commercial acumen
- Earlier involvement of procurement

Capability

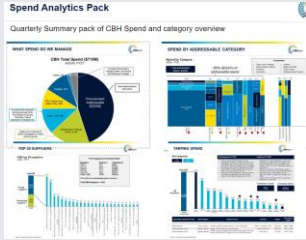
- Procurement strategy
- Simplified processes
- Increased procurement skills and competencies
- Expansion of category management
- Supplier management
- Increased analytics

Cost

- Bottom line savings
- Category analytics to identify savings opportunities.

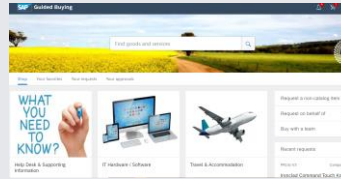
Digital Transformation Roadmap

Digital Transformation is not a set and forget project it is ongoing



Wave 1
2017-2019

- Intranet and internet refresh
- Spend cube development (Power BI)
- EOI portal
- SAP process changes
- PO automation
- Punch out catalogues
- Decommission existing CMS



Wave 2
2020-22

- E sourcing/Tenders (E RFX)
- Contracts warehouse (library)
- Advanced reporting & analytics
- Vendor network & portal for electronic transactions, data management & communications
- Governance through automated workflows, integrated buying processes and embedded compliance
- Ebay like shopping experience



Wave 3
2022-24+

- Additional functionality using S4 Hana
- RPA opportunities
- Automated reporting & analytics (datalake)
- Ongoing functionality releases through cloud system

Digital procurement – how have we changed?

Investment in technology has changed the procurement landscape



Separate ERP & contract management system



Integrated end to end procurement process

Poor master data and free text



Cataloguing standards enabling buying & reporting

Manual management of procurement process



Streamlined governance through automated processes

Significant time spent on transactional procurement



A more user friendly and intuitive design

Limited visibility of existing contracts



Qualified and preferred suppliers easily accessible, mobile functionality

No supplier self-service functionality for vendor data



Integrated system that enables supplier on-boarding, supplier self-service and document transmission

Inaccurate, missing, unstructured or manual data



Accurate, robust and structured and systemised data

Digital Transformation

Where do we even start?



Get the basics right

- Build capability, people and culture then use technology to increase value generation
- Understand the problem you are trying to solve



Leadership commitment

- Build a business case and be clear on success and measurement
- Get strong support and commitment from the wider leadership team



Business systems alignment

- Explore options & align with the org's IT strategy
- Due diligence
- Be clear on the scope and future transformation roadmap



Form a solid team

- Early end user engagement
- Internal SME's, IT experts and external partners
- Dedicated PM and change manager

What does Digital Transformation mean for our day jobs?

1. Upskill as technology advances rapidly
2. Keep an open mind, be resilient and be less risk averse
3. Engage our suppliers differently as they become more integrated and technologically advanced
4. Leverage on the data for insights
5. Align the corporate buying experience with personal buying experience
6. Use technology to break silos
7. Cloud platforms give us more control to drive our maturity levels

Digital Transformation Key Lessons

1. Execution is the key. You will not have all the answers
2. Digital is an ongoing transformation
3. Consider technology landscape (IT strategy & operating model)
4. Different technologies solve different problems. You may not get a single platform (Core ERP vs Procurement solution)
5. Focus on master data for success for digital transformations
6. Change management and training are key
7. Take the opportunity to streamline your process
8. For system implementations –
 - Be clear on what the tool can and can not do
 - Involve end users
 - Right implementation partner and scope
 - Minimise customisations
 - Have a robust support model
 - De-risk launch through phased release
 - Once live follow up with end users (internal/external)