

LBBW is the latest BrainNet customer to win the most important national award for purchasing and logistics management

Landesbank Baden-Württemberg wins 2008 innovation prize of the German Association Materials Management, Purchasing and Logistics (BME)

Bonn, November 12, 2008 – The Landesbank Baden-Württemberg (LBBW) is the winner of this year’s BME innovation prize. The prize, launched in 1986, awards innovative achievements and concepts in purchasing and logistics which make a key contribution to a company’s result. The BrainNet Supply Management Group assisted with the design concept for the winning project. Last year the prize went to agricultural machine manufacturer CLAAS for its post-merger integration project, also run with input from BrainNet.

The BME’s innovation prize is considered the most important national award in the purchasing and logistics management sector. Previous prizewinners include Daimler, Siemens, Deutsche Bank, Miele and CLAAS. LBBW was awarded the prize for a milestone project in automated procurement. The project is the first integrated system in Germany for procuring all IT services, from certification to invoicing.

Project driven by a lack of specialists and increasing specialization

The project got off the ground because of two key determining factors: The increasing lack of specialists and the trend towards extreme specialization. As a result of these developments more and more experts are becoming freelance which benefits both the specialists themselves and companies.

The increasing number of freelancers presents purchasing departments with the challenge of procuring individual goods using one standardized process. “Nowadays while virtually all processes in international procurement, from requirement requests to invoicing, are automated, so far complex services have not been part of these processes,” explains Oliver Staudenmayer, project manager responsible at LBBW. “In this award-winning project, our IT purchasing department worked with all specialist areas and consumers involved to close this gap and make possible complete, system-based procurement of consultancy services following commercial, corporate governance and sustainability criteria.”

“Today’s group purchasing department has to deal with a whole host of issues for which it would have had absolutely no responsibility just a few years ago,” says Sven Linden, head of the consultancy team at BrainNet Supply Management Group AG, which helped the LBBW to conceive this project. “Innovative methods and instruments are indispensable in managing new tasks, in say the purchasing of consultancy services. The LBBW has produced an excellent reference project and not just for the financial sector. We are therefore delighted that the bank has won this important award.”

The system does not contain any personal details – just purely technical and specific information that was already available before. The rapid search which encompasses all suppliers only provides quotations which have been checked and approved by the LBBW purchasing department. The new system also offers a communication platform which can be used to confirm quotations and to schedule phone-based and in-person interviews. Reassigning work can also be handled in a much more efficient manner.

A new philosophy – and measurable achievements

Not only has the project resulted in the launch of a new system, but also in a paradigmatic shift in the philosophy and role of purchasing. “For a long time people were convinced that complex consultancy services couldn’t be standardized. So they were usually procured outside the purchasing department and it was virtually impossible to establish binding and general purchasing principles,” adds Staudenmayer. “Through this project we have proven in concrete terms that standardized processes and effective management on the one hand and consideration of qualitative, individual criteria on the other hand are compatible and that the procurement department is able to effectively and efficiently assist in every procurement process.”

There are already examples of the specific positive impacts from this project on procurement processes in the services sector. Foremost among these are single media, transparent and audit-compliant processes, the integration of existing applications, optimized procurement planning and efficient procurement controlling as well as improved supplier contact quality. Staudenmayer is convinced that the new process setup will have a positive impact on the key challenges faced by the purchasing department – from increasing efficiency in the short term and long-term improvements in quality to improving the competition situation in the medium term.

About Landesbank Baden-Württemberg

The LBBW Group has total assets of €500 billion (30.06.2008), more than 13 000 employees and over 200 branches throughout Germany, making it one of the largest German credit institutions. Its customers are SMEs who appreciate the local service offered by the global network of 22 representative offices and branches in New York, London, Singapore and Seoul.

Working with its legally dependent institutions, the Baden-Württembergische Bank (BW-Bank), Sachsen Bank and the Rheinland Pfalz Bank and its specialized subsidiaries, LBBW operates in all the business areas where you would expect to find a major modern bank. LBBW is also the central bank of the savings banks in Baden-Wuerttemberg, Rhineland Palatinate and the free state of Saxony. BW-Bank functions as a savings bank for LBBW in the territory of the state capital, Stuttgart.

For more information about LBBW, please go to www.LBBW.de.

About the BrainNet Supply Management Group AG

BrainNet one of the leading international brands for supply chain management consultancy. Employing 220 members of staff, BrainNet turns over €30 million globally. BrainNet develops and realizes tailored solutions for more than 80 of the companies listed in the Global Fortune-500 and around 240 fast-growing SMEs. For years, BrainNet has had offices in Bonn, Boston, Budapest, Chicago, Mumbai, Munich, Shanghai, St. Gallen, Tampa and Wroclaw.

Through its close collaboration with the Supply Chain Management Institute (SMI) at the European Business School (EBS), BrainNet offers a totally unique value-creation chain ranging from research and training young talent at leading business schools to implementing consultancy projects and strategic qualification of top managers and supply chain managers.

For more information about BrainNet, please go to www.brainnet.com.

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