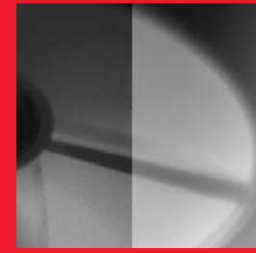
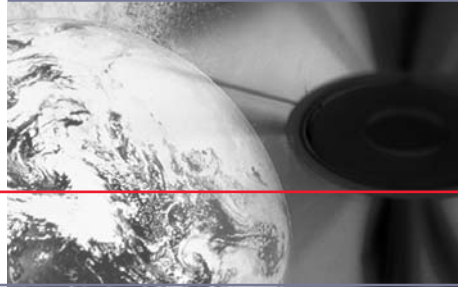


# INTERSHOP™

Success Story



**The growing acceptance and increasing usage of online commerce is having a major impact on existing and long-established business processes - hardly surprising, given the enormous potential for financial and organizational savings through selling and procuring products and services over the Internet. The e-commerce marketplace operated by the government of New South Wales in Australia is a particularly successful example. Implemented in just four months, the SMARTBUY™ Internet procurement platform is already a valued tool. The government expects 11 million orders per year and cost savings of hundreds of millions (AUS dollars) through lower process costs. The technology behind the system is the Enfinity™ Procurement Solution from Intershop Communications.**



## **Intershop's Unified Commerce Management software successful down under**

Unified Commerce Management (UCM) is a best-practice strategy that enables centralized control and monitoring of online business processes between trading partners. The UCM solution from Intershop played a crucial role in the Australian government's program to boost efficiency and cut costs by providing:

- Central management of all procurement
- Seamless integration with back-office systems
- Flexible architecture based on open standards
- High performance with enterprise-class scalability
- Support for multiple languages and currencies

"We regard e-procurement as key to boosting efficiency and making planning more cost effective. This successful deployment will serve as the e-commerce model for other governments," explains Morris Iemma, Minister for Public Works and Services. The NSW government spends roughly AUD 17 billion each year buying goods and services, including capital works, and the SMARTBUY e-marketplace is a key piece of procurement reform strategies that are estimated to save AUD 400 million annually. SMARTBUY is part of a 5-year project that the Department of Commerce (formerly DPWS) awarded to LogicaCMG in partnership with Intershop. It is set to become the biggest electronic trading hub in Australia.

### **Business benefits for buyers:**

- Easy to locate and order goods
- Greater scope for internal negotiation
- Closer business relationships through direct contact
- Catalogs are always up to date

## **A reforming tradition**

Secure data exchange between suppliers and buyers is a central feature of the solution. Suppliers include recognized companies and those already under contract, as well as providers approved by individual government departments. Alongside NSW government agencies, marketplace users include quasi-governmental organizations, charities, local associations, and purchasers approved by the State Contract Control Board (SCCB). SMARTBUY enables them to browse, select, and purchase goods and services online. The virtual department store supports direct comparison between different suppliers, enabling a rapid decision in favor of the best value product. In addition, more favorable terms and conditions can be negotiated by pooling requirements. "Australia already has a reputation for public sector reforms. This e-procurement initiative puts the New South Wales government at the forefront of this movement," confirms David Lewis, Group General Manager for e-business solutions in the Department of Commerce in New South Wales (NSW). The comprehensive control options are a further benefit of the procurement platform, allowing the administration to view order details such as date/time placed, scope, customer, and terms and conditions. As a result, ongoing improvement is exceptionally easy.

### **Business benefits for suppliers:**

- Improved access to public-sector markets
- Single Internet platform for all customers
- State-of-the-art functionality enhances internal processes



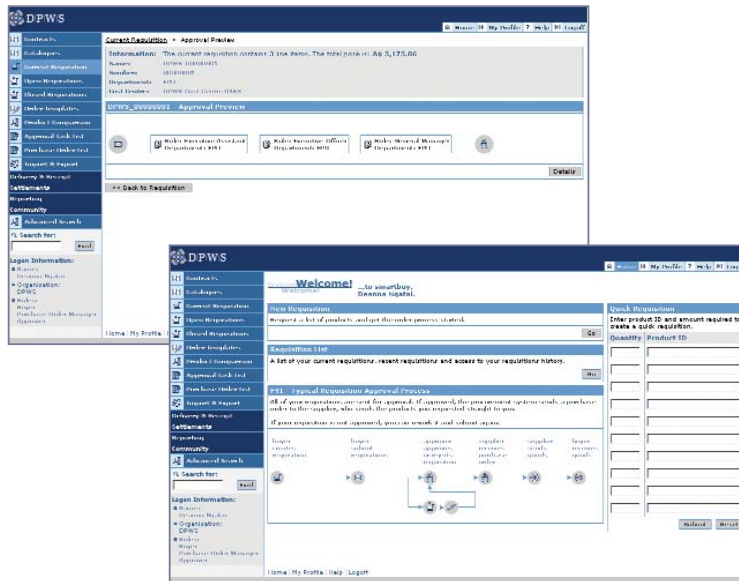
"We are especially pleased with the leading edge software solution provided for SMARTBUY™ by Intershop. Not only were we able to bring the SMARTBUY online in just 90 days, but the inherent flexibility of Intershop's Enfinity product is allowing us to easily customise the solution as our business needs change and progress," explains David Lewis, Group General Manager for e-business solutions in the Department of Commerce in New South Wales (NSW).

The government specified a very tight timeframe for Intershop and implementation partner LogicaCMG to deploy the solution, with installation being successfully completed in January 2003 after just 90 days. "We're extremely satisfied with our choice of LogicaCMG and Intershop - the working relationship was excellent, and the result fully meets our expectations," adds David Lewis.

**130 million in one year**

The very positive reception given to the system from the outset confirms the expectation that SMARTBUY is on track to become the biggest electronic trading hub in Australia. The government expects the procurement platform to handle orders totaling AUD four billion. Around 100 different agencies and more than 2,000 suppliers rely exclusively on this marketplace. "Direct online ordering is expected to deliver cost savings of AUD 130 million a year," explains Lewis. The next step will involve integrating an online payment option. In the future, system integration between suppliers and buyers will enable easy data exchange between all marketplace users.

The SMARTBUY project shows that e-marketplaces allow significant streamlining of business processes, an area where Europe has considerable catching up to do. The Australian example can serve as a model for other governments around the world.



**Intershop Product:**  
 Enfinity Procurement Solution

**Business Model:**  
 Business-to-Business

**Integration Partner:**  
 LogicaCMG



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