

## Oskar Mobil

*“Before we implemented Ariba Buyer, our purchasing processes were entirely manual. Now, all our employees use Ariba. We have cut the time it takes to create a requisition by two-thirds and gained much greater visibility into the company's entire spend.”*

Armin Modi, Procurement Director, Oskar Mobil



### Spend Management Results

- Return on investment (ROI) in 20 months
- The majority of Oskar's spend now passes through the Ariba Buyer system
- Our success mainly lies in reducing the cost of the entire procurement process
- Oskar creates more than 1,200 purchase requisitions every month.

Oskar Mobil was the first dual-band (GSM 900/1800) network operator in the Czech Republic after receiving its license in October 1999. A joint venture between Priority Telecom (a division of Amsterdam-based United Pan-Europe Communications), Telesystem International Wireless of Canada and Investicni a Postovni Banka (a Czech commercial bank), it beat off competition from rival bidders including Telenor, Orange and Vodafone.

In March 2000, Oskar Mobil launched its commercial business under the brand name 'Oskar', with the aim of making mobile phones affordable for everyone. This brand proposition has formed the cornerstone of Oskar's marketing strategy since and helped the mobile phone operator become the third largest - and fastest growing - mobile telecommunications network in the Czech Republic.

Oskar now has more than 1,747,284 subscribers, 1,347 employees and its network covers 98.4 percent of the Czech population.

### Slow connections

Two years after launch, Oskar was gaining customers at a phenomenal rate. By 2002, it had already won 858,400 customers. With such a strong emphasis on growing the customer base, most of Oskar's efforts were focused on the front office and sales processes.

At the same time, the company recognised that it needed to update its back-office processes, including procurement, and had already begun an initiative to modify and partially redesign its central buying department.

One of its core aims, as part of this redesign, was to automate its internal purchasing processes. Many of these were still handled manually, which was time-consuming, and cumbersome. "We mainly wanted to improve the purchase requisitions process because every purchase we made involved lots of paper and had to be approved by four people," says Radomír Strakoš, procurement process and systems manager at Oskar Mobil.

Without an electronic, automated procurement system in place, Oskar was forced to rely on paper-driven and often error-prone purchasing processes. This not only slowed the whole buying process down, but lowered compliance to preferred suppliers and contracts.



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## Answering a need

With its business growing at such a staggering rate, Oskar had to act to prevent the delays in its back-office processes from negatively impacting its level of customer service. To this end, the company began a search at the beginning of 2000 for a spend management vendor. As part of this process, Oskar met with four companies in total, before choosing Ariba. "The Ariba® Buyer™ application was more userfriendly than those offered by other software providers," says Strakoš. "In particular, Ariba covered the document flow process better than any other vendor."

To automate and improve the management of its procurement processes, Oskar purchased Ariba Buyer™ 8.1 and Ariba eForms™. The latter has streamlined its buying processes further by creating automatic electronic form templates to cover financial operations, HR procedures and facilities management.

The company-wide deployment took between four and six months and the system went live in July 2002. Oskar also chose to implement the Ariba Supplier Network™ and now has brought 20 suppliers online, making its transactions much easier to manage.

To ease the roll-out of the system to all employees, which numbered more than 1,000, Oskar adopted a phased approach. A pilot group of 30 employees were selected for training on the Ariba products and they were then tasked with the responsibility of training remaining staff. This method of training was crucial, according to Strakoš. "One of the lessons we learned through the deployment was that training and use of the system must be fiercely propagated throughout

the whole company, otherwise people would fight against the whole concept of electronic purchasing."

"All our employees now use Ariba," says Armin Modi, Procurement Director at Oskar Mobil. "We are basically buying everything through the system now from services to IT staff." The only exceptions are engineering and technology, which continue to be bought off-site or through the ERP system.

## Ring up the benefits

The majority of Oskar's spend now passes through the Ariba Buyer system - in the second quarter of this year, it spent hundreds of million USD alone - and it creates more than 1,200 purchase requisitions every month.

According to Modi, this has benefited the procurement team enormously. "Our success mainly lies in reducing the cost of

the entire procurement process," he says. "We have also seen the time taken to create requisitions shorten considerably and it now takes two-thirds less time from requisition through to approval."

More importantly, perhaps, Oskar saw a return on investment (ROI) in 20 months. For those employees working in the procurement department, however, the main benefit is that the

whole purchasing process has become much clearer to understand and easier to manage. It also has far greater visibility into its purchasing processes, enabling it to identify where the best savings lie. Furthermore, with everyone buying agreed products and services through Ariba Buyer, there is no more maverick buying.

One unexpected benefit of the new system came to light recently when Oskar conducted its annual external audit. "The auditors appreciated the fact that our buying processes were transparent and praised our efficiency," explains Modi.

## Future Developments

Although Oskar has not managed to migrate its entire supplier base onto the Network - it has more than 4,000 suppliers in total - this is something that it would like to address in the future, as it continues to look for ways of improving the purchasing process.

"We're also looking at implementing Ariba Contracts™ to improve the efficiency of Oskar's negotiations in the procurement process and ensure compliance across the organisation," says Modi.

## About Oskar Mobil

*Oskar is the brand name for mobile services offered by Oskar Mobil a.s. Oskar is the newest mobile operator in the Czech Republic. Oskar's arrival has been good news for consumers and business customers alike. Since our commercial launch, Oskar has already attracted more than 1,747,284 subscribers, becoming one of the fastest growing 3rd operators in Europe. While most of our customers are from the consumer market, Oskar is now set to focus on the business segment too.*

## About Ariba, Inc.

*Ariba, Inc. is the leading provider of spend management solutions to help companies realize rapid and sustainable bottom line results. Successful companies around the world in every industry use Ariba Spend Management software and services. Ariba can be contacted in the U.S. at 1.650.390.1000 or at [www.ariba.com](http://www.ariba.com).*

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