eProcurement for the biggest German mail order company

The Otto group has become the biggest mail order company worldwide with more than 53,000 employees on three continents, a product range with more than 130,000 items and a sales volume of more than 15,215 million Euros.

It is the precise, worldwide cooperation between more than 8,500 purchasing agents, producers and suppliers that has been guaranteeing the high-quality choice of fashion and consumer goods and an excellent cost-performance ratio since more than 50 years.

Optimizing business processes with eProcurement

In the past, electronic data exchange between process participants had been hampered by different software solutions. The main task of the software COSA was technical connections as well as uniform communication and sales standards between numerous purchasing agents and suppliers who had been working with different software solutions.

The Otto Group developed an individual web-based B2B platform, which was closely connected to the existing IT environment. Regarding the Workflow engine, Otto decided to use the Workflow solution COSA BPM by the Cologne-based PASS BPM Solutions Deutschland GmbH. Special requirement was the ability to integrate third-party applications, division between technical and business-related modeling as well as the total costs of ownership.

Definition of processes for exact process control

As a next step, detailed processes were developed for Otto's sample processing, starting from the production, up to the evaluation and release of the items. It is the level of detail during the modeling phase that is decisive for exact process control during run time. By means of the COSA Process Designer, competencies and tasks within the company and in relation to other network participants were described, determined and technically modeled. For the order confirmation process alone, nine different processes were identified, modeled and integrated into the different applications.

Win-win situation by B2B Platform

The B2B platform does not only combine the procurement interests of the Otto group, but also opens a channel for network partners allowing them to extend and organize their markets. Using a shared infrastructure does not only reduce costs, but also combines purchasing requirements of different suppliers worldwide.

By means of the eProcurement solution from PASS BPM Solutions Deutschland GmbH, the process participants can log on to a personalized area and can work on specific tasks and status retrievals. The uniform, intuitive and multilingual web interface leads the user through the entire process. This ensures that all data are available just in time and allows to retrieve the current delivery status or whether all deadlines are respected. As a result, Otto is able to anticipate potential problems and correspondingly start different actions. Therefore, problems like imminent bottle necks in delivery or quality losses can be detected at an early stage and thus avoided.

Excellent prospects for future success with COSA BPM

Up to now, COSA BPM supports processes in the areas of item creation, sample processing and claims management. However, Otto plans to support the entire procurement process worldwide by flexible COSA BPM processes.

'COSA BPM is the ideal complement for our B2B platform, because the new processes allow us to react extremely quickly to innovative business ideas and market trends. This is especially helpful for the acquisition in the third-party business. In addition, the increased transparency of procurement process steps helps to identify critical developments in the operative business at an early stage and to detect optimization potential', says Kai Giersch, head of B2B business processes, Otto Group.

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