



CUSTOMER SUCCESS PROFILE

Diebold Procurement Team Ariba 2008 Spend Management Excellence Award Winner Growing Enterprise Spend Management Pioneers

The Diebold procurement team recognized early on that spend management was the key to not only achieving their own goals, but driving results that would positively impact the company's bottom line. While many were still thinking about implementing technology and best practice processes to streamline procurement and drive savings, Diebold was executing an aggressive spend management program that has since delivered upwards of \$100 million in savings.

Team: Key Ingredient in Recipe for Success

Under the leadership of George Mayes, senior VP of global manufacturing and supply chain, Linda Parcher, VP and chief procurement officer and Mike Rager, VP, procurement indirect, Diebold outlined an aggressive and specific set of goals for both direct and indirect procurement that aligned with overall business goals. Parcher and Rager worked diligently to restructure the Procurement organization and infuse it with new talent to achieve these goals. They also established global cross-functional teams to support their global sourcing strategies and tapped Ariba to provide solutions to improve their visibility into spend across categories as well as category expertise and services to streamline and enhance their sourcing on a global basis.

From Challenges to Collaboration to Change

The most significant challenges faced by the Diebold team in their efforts to implement spend management were a lack of resources and that it had been an underutilized function within the company. By leveraging Ariba's spend management solutions, category expertise and services, the Diebold team was able to put in place a standard, best-practice process for sourcing goods and services and migrate the procurement organization to a more strategic role capable of supporting and driving key business objectives.

Parcher and Rager proved especially adept at recognizing both the strengths and limitations of their team's capabilities. They aggressively recruited new talent from outside the organization



The Diebold team improved their spend management strategy by:

- *Being creative and ambitious in their use of Ariba® Spend Management™ to drive savings and efficiencies on an enterprise-wide basis*
- *Nurturing the right skill sets and personality traits to build a cohesive team focused on delivering results*
- *Aggressively wielding spend management as a strategic weapon for cutting edge competitiveness*
- *Establishing enterprise-wide, cross-functional collaboration as a necessary tool to reach the company's goals*



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to quickly improve capabilities while working to develop current staff to embrace the new system. By zeroing in on those able to work well in a team environment and accept new ways of doing things, Parcher and Rager, with the full support of senior management, were able to create a unified organization focused on delivering results at all costs.

The company's \$100 million cost-reduction initiative established in 2006 acted as a key catalyst to initiate change and garner support throughout the organization. Design and quality engineers are also a big part of the picture. With a cross-functional team mixing design engineers with suppliers and procurement, Diebold was able to improve its product design as well as a reduce costs.

The Benefits of Being Bold

In order to strengthen its leadership position in a competitive market where international competition is formidable, it was especially important for Diebold to be innovative and aggressive in its approach to spend management. It couldn't be simply about cutting costs. In 2003, the company launched a low-cost country sourcing project in China to strengthen its supply chain and move closer to its customers. By 2004, Diebold had joined many of the electronics manufacturers in going to India

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and also put a stake in Eastern Europe by establishing a production facility in Budapest, Hungary in 2006. Through the move, they were able to identify qualified suppliers who could deliver according to their standards, avoid the labor and political instabilities that impacted other regions, and drive confidence among customers that they would be able to deliver on time and on budget.

Taking the Predictable Path

The predictability of savings generated by Parcher's and Rager's teams has allowed Diebold to consistently cut costs and increase customer satisfaction. The company is on track to fully realize savings from

its \$100 million cost-reduction initiative, and is currently planning the next benchmark in its cost-reduction efforts. By continuing to leverage Ariba's solutions, category expertise and services, the procurement team is confident it has what it takes to deliver on the next milestone.

About Ariba

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 <http://www.ariba.com>.