



With the rapid and painless implementation of CommBiz, Co-Operative Bulk Handling Ltd gained access to a transaction banking solution that improved the efficiency, flexibility and security of payment processing for grain growers, vendors and suppliers.

Case Study: Australia's leading grain organisation implements payment transformation to drive out cost, mitigate risk and improve service to customers

Challenge

A time to upgrade

Co-Operative Bulk Handling Ltd (CBH) is one of Australia's leading grain organisations. Based in Western Australia, the cooperative is owned and controlled by more than 4,500 grain growers. The organisation was formed following the 2002 merger of Co-Operative Bulk Handling and the Grain Pool of Western Australia.

CBH's revenues totalled \$1.9 billion at the end of 2011, and the organisation regularly pays and receives a large number of high-value transactions – from tens of thousands to millions of dollars – including payments to growers, suppliers and other parties.

In 2010, CBH decided to update its transaction banking platform to help streamline payment processing. A major goal was to help reduce the costs, in terms of staff time and company resources, of handling payments.

It was critical that the solution offered a powerful but easy-to-use, intuitive user interface, in addition to a more secure payment environment. CBH was also keen to improve its ability to transfer financial and payment data to its bank, by moving to more automated processes.

For instance, the way CBH processed payments to local growers involved a significant amount of manual intervention. Staff across payments, IT and other departments all had to be involved to ensure payment files, from payroll data to payments to growers and vendors, were transferred to the bank for processing. This tied up crucial resources, and diverted staff attention away from other areas of the business.

Further, the emphasis on manual handling created concerns over the security and reliability of important payment information. CBH wanted a solution that would ensure all payment information was transferred from its accounts to those of its growers and suppliers accurately, and that payments were guaranteed to arrive in specific accounts on designated days.





Solution

CommBiz is the answer

CBH already had a long-term, trusted partnership with the Commonwealth Bank, extending back over half a century. The Bank's Transaction Banking Solutions group had worked closely with CBH for many years, and the organisation knew if it ever had a problem, it could contact the Bank's team, and could quickly have a Bank working capital specialist on the scene if required.

CBH had approached the Bank about how it could improve efficiency within its business. At the heart of the proposed solution was the Bank's online business banking platform, CommBiz.

CBH selected the CommBiz platform over several other solutions proposed by major banks.

"CommBiz was above everything else that's currently available in the market," CBH's Group Manager of Shared Services, Ron Silvestri said. "We were attracted not only by the fact it was first to market, but basically by the whole setup – from the interface to navigation and security. It gave us a lot of comfort."

Smooth implementation

The planning process to introduce the CommBiz platform began in April 2010. The Bank worked with CBH staff to develop a detailed implementation plan, and the implementation team remained in constant contact as the new platform was rolled out. As a result, there was minimum disruption to the business.

"I'd describe the implementation process as very smooth," Mr Silvestri said. "We had a lot of support from the Bank. They made sure we ticked all the boxes and understood all the terms and conditions, and helped us undertake a lot of planning."

The Bank also trained CBH staff who would be responsible for key payment processing functions once the new platform was live.

The CommBiz platform for Co-Operative Bulk Handling Ltd went into production in May 2010.

Benefits

Simplified, automated payment processes

CommBiz enabled CBH to implement a company-wide transaction banking solution that met its needs in terms of user interfaces, simple management and enhanced security.

By using CommBiz, CBH has also created a more effective payment processing system. Introducing an automated process for transferring payment data files has reduced the manual entry and handling of information, and increased efficiency.

The platform also boosted the organisation's day-to-day efficiencies in processing payments. Previously, staff members had to sit side-by-side to undertake payment authorisation. However, using CommBiz, staff members can conduct key payment activities via the online platform – regardless of where they physically sat.

"The CommBiz platform has streamlined our payment process. We have much more clarity regarding where a payment has come from, and it's enabled us to speed up the whole reconciliation process," Mr Silvestri said.

These benefits have been underpinned by the platform's seven-day processing and settlement functionality, and its real-time banking features. As soon as payments are received or made, CBH's accounts are instantaneously updated, showing who they've come from or where they've gone to.

CBH – and its auditors – now have greater confidence in the organisation’s data security arrangements. “After looking at a number of options, we are confident that CommBiz’s security system is second to none,” Mr Silvestri said.

By having this information to hand, CBH has accelerated the time taken to reconcile its accounts. Prior to CommBiz, daily reconciliation processes could take up to three hours. This has been reduced to as little as one hour.

Further, by speeding up reconciliations, CBH can identify potential accounts queries and issues sooner. This means the organisation can follow up and respond more quickly.

A more secure payment environment with lower risk

The new platform has enhanced CBH's data and payment security arrangements. The organisation has removed manual steps that could introduce errors into data, and has boosted security through CommBiz's sophisticated encryption systems.

CBH – and its auditors – now have greater confidence in the organisation's data security arrangements. “After looking at a number of options, we are confident that CommBiz's security system is second to none,” Mr Silvestri said.

The organisation also values the extra assurances provided by CommBiz. CBH receives confirmation from the Bank that payments have been received and accepted. “This gives us peace of mind that from a security point of view, there have been no issues with the transfer of financial information,” Mr Silvestri added.

CBH now has confidence that if it needs to transfer a payment on a certain date, CommBiz guarantees these commitments will be fulfilled.

More effective resource allocation

Since the introduction of CommBiz, CBH's transaction banking systems have become easier to operate, with key functions now managed by single staff members rather than requiring the input and involvement of many people. This has reduced the costs – in terms of staff time and company resources – of processing payments.

If staff ever have a query about any aspect of the platform, the Bank has a team ready to assist.

“Our staff quickly adapted to and understood the CommBiz platform. This has made managing the whole payment area much simpler,” Mr Silvestri said.

Gaining a trusted adviser, not just a banker

CBH was seeking an improved transaction banking platform. But it was also keen to build a deeper relationship with the Bank to help it continue to grow and develop.

“CommBiz is one of the best products we've seen for a long time in helping facilitate that bank/customer relationship,” Mr Silvestri said. “It's made that interaction much simpler, and the functionality of the platform is much better than anything we've ever had in the past.”

CommBiz is just part of the bespoke working capital management solution CBH has with the Bank, including cash and treasury, payables and receivables, procurement, and international transaction and trade management. With the Commonwealth Bank as a strategic partner, CBH is continuing to work to revolutionise their customer, vendor and supplier experience, drive out cost, mitigate risk and drive growth faster.

Further Information

For more information, call your Relationship Executive
or visit commbank.com.au/transactionbanking