

“Thanks to the Ariba Spend Management Suite, we've consolidated spending and reduced our procurement processing time.”

—Anna Umberto, Director of Strategic Sourcing and Alliances, CVS



CVS TARGETS OPPORTUNITIES IN PURCHASING

CVS provides more prescriptions in more locations than any other pharmacy in the nation. The company dispensed a record 320 million prescriptions in 2001—approximately 12% of all prescriptions in the U.S. CVS has the #1 market share in 34 of the top 100 U.S. drugstore markets, more than any other chain, and its total revenues for 2001 topped \$20 billion. In studying ways to improve the company's profitability, CVS identified an opportunity to better control spend associated with building new stores through better sourcing data and more efficient purchasing processes.

THE ARIBA ADVANTAGE

CVS evaluated a number of procurement solutions to address its purchasing issues. The company selected the Ariba® Spend Management™ Suite for its ease of use and potential to deliver savings to the company. Ariba's references, history in the marketplace, and expected longevity were also very important factors in CVS' decision.

CVS CUTS PROCESSING TIME

Currently, the company uses Ariba® Buyer™ to procure goods "not for resale" in its corporate and distribution centers. Prior to implementing Ariba Buyer, the procurement process took on average seven to ten days from the time a user placed an order until the supplier received the order. Now that process takes from several hours to two or three days at the most, and users receive the orders they've placed within four days. CVS also uses Ariba® Travel and Expense™ for automating and streamlining the purchase of travel services. Going forward, CVS plans to leverage Ariba Buyer to streamline the procurement associated with new store construction and provisioning. This will be accomplished by applying Ariba Buyer's kitting feature, which enables users to bundle multiple catalog items into one line item. In addition, CVS plans to implement Ariba® Invoice™ to complete the purchase to payment cycle. Ariba Invoice is expected to deliver savings through improvements in billing accuracy and reduction in reconciliation cycle time and processing costs.

