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COLES SIGNS STRATEGIC PARTNERSHIP WITH MICROSOFT TO TRANSFORM ITS OPERATIONS AND DRIVE DEEPER BUSINESS INSIGHT

Innovation to assist with Smarter Selling strategy through efficiency and pace of change

- ***Microsoft Azure to become Coles' cloud platform of choice***
- ***Azure-powered enterprise data platform enables artificial intelligence rollout at pace***
- ***Microsoft Dynamics 365 enterprise resource planning solution for selected business units***
 - ***Microsoft 365 Modern Workplace suite to underpin agile ways of working***
 - ***Microsoft to invest in Coles innovation lab to create next-generation retail solutions***
 - ***Underpinned by direct executive support from Microsoft's global product functions***
 - ***Technology to enhance customer experience and boost team member productivity***

Coles has signed a strategic partnership with global technology leader Microsoft to accelerate its digital transformation, using cloud-based innovation to transform the shopping experience for customers, make life easier for team members and improve productivity across the business.

This announcement is the latest in a series of global partnerships and developments through which Coles is building its technology and digital capability.

The long-term strategic partnership is founded on Microsoft Azure becoming Coles' cloud platform of choice, which will enable Coles to drive simplicity and efficiency in its operations by migrating its applications to Azure.

Together with Microsoft, Coles is building an enterprise data platform in Azure that will power advanced analytics across Coles and enable the rapid deployment of artificial intelligence (AI) technology to drive innovation in physical stores and through the supply chain.

The use of Azure AI services will bolster Coles' ability to use a variety of customer insights to drive decision making and better tailor its range to meet the needs of customers and how they like to shop. These decisions will be based on deeper data analysis from its proprietary research, flybuys and customer transactions.

In addition to more personalised customer benefits, a key part of Coles' Smarter Selling strategy is in its stores, where team members will be provided with a range of new tools that will transform how they work, such as removing manual tasks for repetitive activities like stock management and price markdowns. These changes will boost productivity and allow them to focus on the things that matter most to customers.

Coles will also deploy Microsoft's Dynamics 365 enterprise resource planning solution in its Coles Express and meat manufacturing businesses to create simpler, more efficient and robust operations that empower team members.

To assist Coles in achieving more agile ways of working, as part of the company's commitment to deliver its strategic goals for higher team member engagement and pace in execution, it will deploy Microsoft's Modern Workplace suite of technologies including Office 365.

Microsoft will also provide tailored training for Coles' digital and technology teams so they have the necessary skills to exploit the full potential of the new platforms.

Further, as part of the strategic partnership, Microsoft will invest its world-class engineering resources to innovate with Coles to deliver technology-led, next generation retail solutions.

To ensure that all these transformational initiatives can be delivered at pace, Microsoft will provide direct executive support from its global product functions.

"As a proudly Australian retailer for the past 105 years, Coles has constantly evolved to meet the needs of our customers – from a single general merchandise store in Melbourne to the first supermarkets and now same-day delivery to customers' kitchen benchtops," Coles Chief Information and Digital Officer Roger Sniezek said.

"This strategic partnership builds on our long-standing relationship with Microsoft and will enable the Smarter Selling pillar of our strategy through efficiency and pace of change. We're very confident that Microsoft will empower us to achieve more.

"By moving to the Azure cloud we will be able to simplify our operations and deliver at pace. The Azure-based Enterprise Data Platform will allow us to execute advanced analytics and artificial intelligence across all areas of our business at extreme scale. Dynamics 365 will power a few of our business units, driving simplicity, speed, and robust processes.

"Coupled with the innovation lab and full executive support from Microsoft, this is an incredibly broad strategic partnership that demonstrates Coles' commitment to win together with our team members, suppliers and the communities we serve in our second century," Mr Sniezek said.

Judson Althoff, executive vice president of Microsoft's Worldwide Commercial Business, said Microsoft's experience working with global retailers will help it best support Coles in its technological transformation.

"As the retail industry continues to undergo massive transformation, forward thinking companies are exploring how to leverage technology to better serve their customers and employees," Mr Althoff said.

"We are excited to bring our global retail experience to Coles. Through our partnership, we will support Coles to provide personalised, seamless experiences for shoppers using AI, offer a more productive workplace for team members through modern collaboration tools and help them unlock better business insights through our advanced analytics solutions."

BUILDING TECHNOLOGY AND DIGITAL CAPABILITY

Recent announcements from Coles have included:

Oct 5, 2018: [Two new ambient automated distribution centres](#) to be built by German automation specialist Witron as part of the modernisation of Coles' supply chain.

Feb 12, 2019: [Coles implementing SAP systems](#) to transform store support functions in the areas of HR, indirect procurement and financial reporting.

Mar 1, 2019: [Coles partners with Optus](#) to rollout a high-speed network, driving store efficiencies and innovation.

Mar 26, 2019: [Coles enters partnership with Ocado](#) to bring the world's leading online grocery platform, automated fulfilment and home delivery solution to Australia.

For further information, please contact

Coles Media Line (03) 9829 5250 or media.relations@coles.com.au