

Enabling Business Commerce in the Digital Economy with Ariba® Network

Benefits

- Delivers an e-commerce platform that improves the way trading partners buy, sell, and manage cash
- Drives collaboration around key transaction documents such as purchase orders, change orders, order confirmations, advance ship notices, and invoices
- Improves management of all types of spend including direct; indirect; services; and maintenance, repair, and operations (MRO)
- Supports electronic catalogs, contract management, and the matching of invoices to purchase orders and contracts
- Validates line-level detail on invoices to promote straight-through processing
- Consolidates the processing of paper and electronic invoices
- Supports collaboration over the timing of payment through dynamic discounting
- Enables exchange of multiple file formats to accommodate all suppliers
- Engages trading partners in a key channel for new business development
- Connects easily to any enterprise resource planning or back-office system for global business commerce collaboration

DISCOVER, CONNECT, AND COLLABORATE WITH ARIBA® NETWORK

In a digital economy, collaboration is not an option – it's the key to driving business process transformation and new levels of business performance. That's why more organizations are turning to Ariba® Network for a better way to buy, sell, and manage cash.

Access to industry-leading technology, proven process expertise, and community-shared best practices liberates both buyers and suppliers from slow, costly, paper-based processes. As the world's business commerce network, Ariba Network seamlessly connects buyers and suppliers to each other. Regardless of their size, location, or technical sophistication, suppliers can engage in cloud-based commerce as easily as their customers do.

ENGAGING IN A BUSINESS NETWORK FOR SIMPLIFIED COMMERCE

Continuing to manage business transactions with paper and manual processes poses problems for buyers and suppliers. Buyers may have contracts with suppliers, but they can't enforce them. They may send orders to their suppliers, but they can't track them. Procurement and accounts payable staff often spend too much time managing invoice errors and exceptions. Also, buying organizations rarely capture all available early payment discounts, and they have no way to apply dynamic discounts on a sliding scale up to the invoice due date.

Conversely, suppliers often experience delays processing purchase orders received by fax or mail, and then leave customers in the dark about order availability and shipment. They must place phone calls to customers to track invoice and payment status. Many suppliers are interested in improving their cash flow and growing their business, but may not have access to credit lines, bank loans, or a proven channel for finding new customers.

Ariba Network addresses these obstacles to business commerce for buyers and suppliers. As a global network of more than two million trading partners, Ariba Network enables trading partners to transact at the speed of the Internet. Buyers can consolidate the processing of paper and electronic invoices, and they can easily create error-free payables through the PO-Flip® feature and contract invoicing.

At the same time, buyers can seize new business potential by aligning procurement and payables. Dynamic discounting programs available in Ariba Network allow buyers and suppliers to optimize working capital. By using an e-commerce channel for the entire buyer-supplier relationship, suppliers can better forecast cash flow, improve customer satisfaction, and generate new business.

TRADING PARTNER TRANSPARENCY FOR TRANSACTION PROCESSING BREAKTHROUGHS

Ariba Network accelerates business commerce by enabling a more efficient, collaborative process for managing a transaction – whether it involves a contract, catalog, service entry sheet, purchase order (PO), order confirmation, advance ship notice, or invoice. Ariba Network allows buyers and suppliers to track the status of every transaction in real time.

In place of phone calls to their customers, suppliers can see the status of every invoice and when they are scheduled to be paid. And through the timely receipt of electronic order confirmations and advance ship notices, their customers know the status of every order, shipment, and delivery of service.

DATA VALIDATION, NOT JUST DATA EXCHANGE

Electronic data interchange (EDI) and e-invoice-only networks can help buyers and suppliers transmit information electronically. However, these solutions only provide limited validation abilities, which often result in the receipt of bad data faster.

With its more than 80 user-configurable business rules, Ariba Network can validate detailed, line-level data on every invoice, eliminating the errors and exceptions that delay processing and drive up costs. By processing invoices through Ariba Network, buyers can rest assured that only valid invoices will be posted for payment. Invoices with errors or exceptions will be automatically returned to suppliers for correction and resubmission.

IMPROVED COMPLIANCE OF INVOICES TO ORDERS AND CONTRACTS

Ariba Network helps ensure a level of compliance that can't be achieved with manual processes. These include the ability to drive orders from electronic catalogs and to create electronic invoices from purchase orders through PO-Flip®. Buyers can also improve the management of non-PO invoices by allowing suppliers to build invoices from contracts or service entry sheets to help ensure the same level of compliance as PO invoicing.

TIGHTER MANAGEMENT OF SPEND ACROSS ALL SUPPLIERS

The high cost and technical challenges associated with custom-built and enterprise portal solutions have been obstacles for e-commerce engagement. To overcome them, Ariba Network automates the management of all supplier spend types, including direct; indirect; services; and maintenance, repair, and operations (MRO).

Many suppliers are already active on Ariba Network, so buyers can quickly connect and begin transacting through e-commerce. Buyers can enable suppliers not already on Ariba Network quickly and easily by using automated supplier enablement tools and the connectivity options best suited to their specific level of order management and invoice activities.

WORKING CAPITAL OPTIMIZATION FOR BOTH TRADING PARTNERS

With the ability to process a clean, valid invoice over Ariba Network in a few days, trading partners can leverage the speed and efficiency to better manage their cash.

For buyers, this means expanding early payment discounts. Plus, they can maintain or extend their days payable outstanding through better management of payment terms.

Suppliers gain new opportunities to accelerate receivables to improve their days sales outstanding. They also gain the visibility they need to accurately forecast cash flow.

OPPORTUNITY TO FIND TRUSTED BUSINESS PARTNERS

The Ariba Discovery® service, available through Ariba Network, provides a channel for buyers and suppliers to forge new business relationships. Buyers can post projects or publish requests for goods and services on Ariba Discovery and receive responses from qualified suppliers within 24 hours. Suppliers can leverage Ariba Discovery to reach more than 50% of Global 2000 companies. They can respond to millions of leads and access billions of dollars in potential new business opportunities.

About SAP® Ariba® Solutions

SAP® Ariba® solutions support the marketplace for modern business, creating frictionless exchanges between millions of buyers and suppliers across the entire source-to-pay process. Our market-leading solutions enable companies to simplify collaboration with their trading partners, make smarter business decisions, and extend their collaborative business processes with an open technology platform. More than 2 million companies use SAP Ariba solutions to connect and collaborate around nearly US\$1 trillion in commerce on an annual basis. To learn more about SAP Ariba solutions and the transformation they are driving, visit www.ariba.com.

STRENGTHENED TRADING PARTNER RELATIONSHIPS

Greater visibility, enhanced connectivity, and improved collaboration all contribute to stronger trading partner relationships. By engaging through Ariba Network, buyers and suppliers can streamline their business commerce operations, lower their costs, optimize their working capital, and improve the way they work together.



FEATURES

Technology: A cloud-based network that connects buyers and suppliers through an e-commerce platform based on software as a service (SaaS). Ariba Network extends virtually any back-end system for business commerce collaboration.

Community: Buyers and suppliers have the ability to transact and interact in the world's largest global trading community with more than 2 million trading partners.

Capabilities: Ariba Network automates trading partner collaboration and transaction processing across the e-commerce spectrum – from source-to-settle activities for buyers to market-to-cash tasks for suppliers. Functions include electronic catalogs, contract invoicing, conversion of purchase orders into invoices, dynamic discounting, electronic payment with detailed remittance, and new business discovery.

RESULTS

By transacting over Ariba Network, buyers can:*

- Compress their invoice processing cycle from weeks or months to a few days
- Reduce invoice processing costs by more than 60%
- Achieve over 98% touchless invoice processing
- Capture US\$3 million in early payment discounts for every US\$1 billion of spend
- Prevent contract leakage to drive substantial cost savings

Suppliers can:

- Realize a six-day reduction in days sales outstanding
- Shorten purchase order processing time from weeks to hours
- Reduce invoice error rates by 83%
- Generate 65% more new business opportunities
- Grow business in an account by 300% over three years
- Improve cash-flow forecasting

**Based on results from customers using Ariba Network*

READY TO GET STARTED?

To learn more about how you can gain a business advantage from Ariba Network, visit <http://www.ariba.com/about/ariba-network> or contact your account representative.

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