

ARIBA FINANCIAL SOLUTIONS

Invoice Management



THE CHALLENGE OF MANAGING PAPER INVOICES

Accounts payable departments have the greatest opportunity relative to other functional areas to automate, streamline, and standardize processes. Paper document handling persists as the predominant format for inbound invoices, and manual checks remain the most commonly used payment type. This translates into a number of challenges that can hurt the competitiveness of your company. In addition to driving up operational costs, paper-based, manual processes limit visibility and leave you more exposed to financial and operational risk. Lack of visibility can also lead to overlooked billing discrepancies, lost discount opportunities, and overpayments, among other risks. At the same time, paper-based payables processes make it difficult to share information with suppliers—for example, by providing real-time visibility into invoice status and enabling receivables forecasting.

As a result, accounts payable operations are increasingly viewed as more strategic to businesses today. With the right e-invoicing solution in place, you can eliminate most invoice processing costs, increase visibility into workflow processes, mitigate risk, and collaborate with suppliers in mutually beneficial ways.

ARIBA FINANCIAL SOLUTIONS: INVOICE MANAGEMENT

Ariba leverages the power, ease of use, and flexibility of the Ariba Network™ to provide high-performance solutions that support all electronic invoicing activities in a closed-loop manner. Now you can establish truly collaborative processes that increase efficiencies, reduce costs by up to 70%, and make your company more competitive. By connecting your organization with its global suppliers in the most efficient way possible, these solutions enable fast and accurate invoice processes, greater visibility and control, contract compliance, and stronger supplier relationships. In addition, by eliminating tedious, error-prone manual tasks, the solution frees up accounts payable resources to focus on activities that enhance enterprise effectiveness and profitability.

At the heart of Ariba Invoice Management solutions is the Ariba Network, which allows you to discover, connect, and collaborate with tens of thousands of participating suppliers that have been designated by Ariba as “e-invoice ready.” And because there are no technical barriers for supplier participation, we’re able to help you get remaining suppliers on board for 100% supplier enablement.

E-INVOICING BENEFITS

MAXIMIZE SUPPLIER PARTICIPATION

- Eliminates technical barriers to supplier participation for 100% enablement
- Automates supplier on-boarding and interactions
- Provides suppliers with full visibility into invoice status and cash forecasting
- Eliminates exceptions and simplifies and accelerates dispute resolution

PAPERLESS INVOICE PROCESSING

- Reduces related operating costs by up to 70%
- Dramatically lowers time and costs associated with manual invoice handling
- Enhances staff productivity via configurable, automated workflows and four-way matching
- Accelerates workflows and approval processes
- Streamlines and accelerates error resolution
- Integrates quickly with existing ERP systems
- Provides a single connection for transacting with tens of thousands of suppliers
- Simplifies handling of high transaction volumes

GREATER VISIBILITY AND CONTROL

- Supports global operations with over 80 currencies and compliance with local VAT laws
- Enables real-time visibility into the status of all invoices
- Minimizes risk of overpayments and duplicate payments
- Improves payables performance measurement with operational and strategic analytics

WORKING CAPITAL OPTIMIZATION

- Improves cash flow management
- Eliminates late payment fees and paper stock
- Enables three times more savings compared to pre-negotiated discounts
- Creates opportunities for self financing, third-party financing, and dynamic discounting
- Maintains or extends days payable outstanding (DPO)
- Allows suppliers to accelerate payments at low rates without incurring balance sheet debt

Ariba's on-demand e-invoicing solutions include:

- **Ariba Invoice Automation:** Maximize returns on your e-invoice initiative by leveraging a standard electronic invoice feed into your existing back-office applications from all participating suppliers.
- **Ariba Invoice Professional:** Lower processing costs even more and improve staff effectiveness with advanced workflow, robust invoice matching, intelligent routing, exception handling, and reporting and analytics on demand.
- **Ariba Invoice Conversion Services:** For suppliers that continue to send paper invoices, use Ariba Invoice Conversion Services (ICS) to achieve virtually 100% paper elimination, greater process automation, and related cost savings with centralized, secure scanning and OCR.

Ariba Invoice Automation

While you're likely eager to automate processes with all of your suppliers, the high cost and technical difficulties associated with custom-built or enterprise portal solutions and integrations can be major obstacles to maximizing participation. Ariba addresses this challenge by providing flexible connectivity options to support invoice collaboration between you and all of your suppliers at the point of invoice submission, validation, and receipt.

Many organizations find that a significant percentage of their suppliers already participate in the Ariba Network. The remainder can be enabled quickly and easily using a wide range of connectivity options, including:

- **Ariba Supplier Portal:** Using just a browser and an Internet connection, suppliers can log into the Ariba Network, enter invoices directly, or flip purchase orders (POs) into invoices with Ariba's trademarked feature called PO-Flip™. The Ariba Supplier Portal also provides access to real time invoice and payment status.
- **cXML:** Suppliers can use Commerce eXtensible Markup Language (cXML) to automatically publish invoices to your backend systems. Suppliers can also subscribe to your electronic responses, enabling fast, streamlined collaboration.
- **EDI:** Suppliers can leverage their legacy EDI infrastructure to interface with the Ariba Network using EDI over the Internet or through their VAN.
- **CSV:** Even small mom-and-pop suppliers and companies without cXML and EDI capabilities can participate in your e-invoicing initiative, as they can upload invoices using CSV, an Excel-based format.

Leveraging these options enables lower-volume suppliers to receive POs, submit invoices, and reconcile payments

through the Ariba Supplier Portal, and high-volume suppliers to integrate directly with the Ariba Network for straight-through process automation.

Key Benefits

Now you can easily accommodate suppliers' preferred transactional methodologies and maximize supplier participation – all through a single platform. In addition, you benefit from:

- Faster, low-cost supplier enablement in 10 days or less
- Global support in multiple languages and currencies and with support for local tax laws, enabling you to comply with a broad set of regulations
- Fewer supplier inquiries, resulting in reduced supplier management costs
- Collaborative invoice presentment, validation, and dispute resolution that strengthens supplier relationships
- Increased value from your ERP applications by extending automation beyond your enterprise
- Greater contract compliance and cost savings
- Access to over 200,000 suppliers in the Ariba Network for easier supplier discovery, connectivity, and collaboration

The Ariba Network: Designed for Global Business

Today's finance leaders must consider the global impact of their payables automation strategy. The Ariba Network supports global compliance and scope for multi-domestic deployments and global trading partner participation. Our solution is Unicode-based and supports all Western European languages, including English, French, German, Italian, Spanish, Brazilian Portuguese, Swedish, Dutch, Japanese, and Traditional and Simplified Chinese. Language support services, which are available by phone and web form, are available in French, German, Italian, and Spanish.

Ariba Invoice Professional

Once suppliers are sending invoices electronically, you can leverage Ariba Invoice Pro to enable workflow-driven invoicing activities, including validation, data entry, exception management, approvals, and supplier inquiries. You can also leverage Ariba Payment Automation for delivery of detailed remittance advice to automate reconciliation of approved invoices. You benefit from collaborative, automated business processes that increase efficiencies, reduce costs, and give you greater visibility and control. Key processes supported include:

- **Queue management:** When you need to manage high transaction volumes efficiently, queue management functions enable you to assign transactions to work groups or individuals so that there's clear ownership of every invoice. You can also analyze and balance workloads, prioritize work, and reassign and expedite transactions – for example, to minimize lost discounts.
- **Buyer invoice entry:** When invoices fall outside the scope of electronic and invoice conversion services, you can streamline manual entry of invoices into your systems with Ariba Invoice Pro. Ariba's invoice entry screen looks like a supplier's paper invoice and is tab-driven for fast, high-volume data entry.
- **Workflow routing and approval:** Ariba Invoice Pro simplifies the entire invoice workflow, including approvals, matching, exception handling, discount capture, supplier financing, and contract compliance.
 - Built-in, automated features provide “touchless” functionality, such as background matching (including up to four-way matching for invoices, purchase orders, receipts and contracts), as well as automated approval workflows, and rules-based exception handling. These easily configurable processes facilitate timely error resolution, ensure accuracy, and reduce over payments and duplicate payments.
 - Automated capabilities ensure that each invoice matches contracted pricing and payment terms, eliminating time-consuming manual verifications and substantially reduce errors that can lead to overpayments.
 - To prevent bottlenecks, the software enables managers to view and approve invoices via email or using any wireless email or PDA device that supports plain-text emails.
 - Integration with Ariba Working Capital Management solutions help ensure full capture of negotiated and dynamic discounts offered by suppliers, as well as innovative financing options for optimizing your working capital.
- **Reporting and analysis:** Ariba's standard invoice reporting capabilities, which deliver pre-built operational and analytical reports, meet the needs of most users. You can also manipulate data via an intuitive drag-and-drop user interface to generate ad-hoc reports. A reporting dashboard keeps information and insight at your fingertips.
- **Self-service supplier communications:** The software provides your suppliers with an online invoicing dashboard that centralizes all documents and communications, so they can view approvals, payments, rejected orders, and more in a self-service manner.

Key Benefits

When you deploy this powerful, on-demand application, you can optimize invoice handling, reduce costs, and free up your internal resources to focus on more strategic activities. You benefit from:

- Up to a 70% reduction in invoice processing costs
- Fewer errors and manual corrections
- Automated workflow approvals that accelerate invoice handling
- Time savings through automated 2/3/4 way matching and the elimination of inbound supplier inquiry calls regarding invoice and payment status
- Streamlined contract compliance and reduced rogue purchasing
- Compressed invoice approval cycle times to maximize pre-negotiated discount capture
- Strengthened vendor relationships through improved supplier automation and visibility
- Faster, more effective, and more intuitive invoice entry for invoices that fall outside of the scope of electronic and conversion services

Invoice Conversion Services

For total invoice automation and optimization, Ariba Invoice Conversion Services (ICS) scan and convert paper invoices and related attachments into a cXML format and transmits them over the Ariba Network using intelligent character recognition technology or double-blind key entry. Ariba also provides a TIFF copy of invoices with attachments. Our solution, which combines imaging with electronic invoicing and the power of the Ariba Network, eliminates manual processing costs and enables you to achieve 100% invoice automation. Ariba Invoice Conversion Services are available within the North America and globally.

Key Benefits

Ariba Invoice Conversion Services help you avoid the expense of scanning and capturing line item details from paper invoices and make invoices available for straight-through processing by your company. In addition, you benefit from:

- 100% cost avoidance for scanning and OCR equipment
- Reduced mailroom costs
- Lower storage costs for paper invoices
- Easy access to invoice images stored electronically
- Facilitation of local archival requirements

EASY INTEGRATION OF ARIBA WORKING CAPITAL MANAGEMENT SOLUTIONS

When you automate invoice and payment operations using Ariba solutions, you lay the foundation for Ariba's working capital management solutions. These solutions use the real-time, electronic data regarding invoices and payments to make it easier to capture virtually 100% of prenegotiated discounts, as well as take advantage of dynamic discounts opportunities offered by suppliers. Ariba's Working Capital Management solutions also enable self financing and third-party financing opportunities that improve working capital for both buyers and suppliers.

ABOUT ARIBA, INC.

Ariba, Inc. is the leading provider of spend management solutions that reduce supply chain risk, automate financial transactions, and optimize working capital to help companies realize rapid and sustainable bottom-line results. Successful companies around the world in every industry use Ariba Financial Solutions. For more information, please contact Ariba within the U.S. at 1.650.390.1000 or at <http://www.ariba.com>.

H & R Block Achieves Dramatic Cost and Efficiency Savings

H&R Block, a Fortune 500 Company, needed a way to service internal customers more effectively and cut costs, as their existing invoice process was manual, paper intensive, and inconsistent. Invoice operations were also de-centralized, so they required redundant resources.

By leveraging Ariba's invoice automation solution, H&R Block was able to:

- Reduce the cost to process an invoice from \$15 to \$2.50
- Decrease the percent of paper invoices from 95% to 36%
- Lower the percent of non-PO invoices from 98% to 58%
- Reduce procurement costs (as a percent of spend) from 3.6% to 0.9%
- Lower the cost to process a PO from \$12 to \$3

AT&T Achieves Goal of Optimizing Invoice Management

AT&T, a global telecom company, wanted to streamline their invoice management process to optimize cycle time, reduce the cost per invoice, eliminate paper invoices, and increase visibility and exception handling controls. They also needed to improve the flow of documents and information between AT&T and its suppliers.

By implementing invoice automation and Ariba Invoice Pro, AT&T was able to cut A/P headcount by over 50%, increase supplier and stakeholder satisfaction, and:

- Reduce paper invoice volume by 60%
- Make 96% of invoices electronic
- Cut the PO invoice error rate by 50%
- Reduce invoice processing time from 15 days to as low as 48 hours

Ariba Inc.

Worldwide Headquarters

807 11th Avenue

Sunnyvale, CA 94089

Toll-free (USA): 1 866 772 7422

Outside USA: +1 650 390 1000

www.ariba.com

