

PROCUREMENT AND EXPENSE

Ariba Services Procurement



Given the current economic climate, companies are faced with several strategies to manage spend and cut costs. Many organizations have already improved their management of direct spend and indirect goods. However, in the area of services, which are notoriously complex to procure, most companies have no visibility into their spend and they cannot manage what they cannot see. Companies need to move towards **total spend management** in order to quickly deliver the savings required in these difficult times.

Figure 1: Evolution of Spend Management



MANAGE EVERY TYPE OF SERVICES SPEND

A typical company has 30 to 70 percent of its spend in services. One highly visible area is contingent labor, however it is rarely the only area. A complete solution must be able to handle all categories of services spend.

Ariba Services Procurement **addresses every type** of service from consulting and projects, to temp labor and print services.

COMPLIANCE IS CRITICAL

Enforcing process, price and supplier compliance for all services is required for effective control of spend. Ariba guides process compliance through tailored drivers (contingent labor, consulting, marketing, print services and generic) that capture required services-specific data and automate the workflow and approvals. Required and preferred suppliers are automatically presented for consideration and collaboration. Rate cards enforce earlier negotiated pricing and provide a starting point for further collaboration and savings.

HOW IT WORKS

Ariba Services Procurement drives immediate savings by capturing complex services spend—exercising process, price and supplier compliance and reducing maverick spend, payments and invoice over-billing to help you actually realize savings that were negotiated through sourcing.

THE BOTTOM LINE

Ariba Services Procurement is a **unique, function-rich yet user-friendly solution for the procurement of services**. Cost management is central to Ariba Services Procurement in reducing services spend costs. Operating productivity and organizational performance is possible with a solution that accommodates all kinds of services spend. Greater savings and compliance are possible with fewer resources.

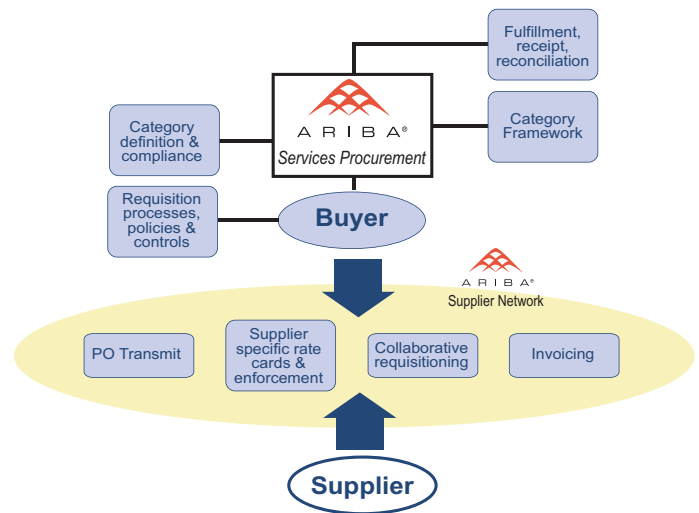
BENEFITS OF ARIBA SERVICES PROCUREMENT

- Services Spend Visibility
 - Spend can now be sourced more effectively, increasing purchasing power
- Compliance
 - Process - Savings through streamlined processes
 - Price - Savings from purchasing at the right price
 - Supplier - Savings from purchasing from the right vendor
- Broad adoption through the intuitive interface places more spend under control
- E-procurement's largest supplier network facilitates collaboration and business with suppliers
- On demand delivers quick time to value and rapid payback
- Integrated within the end-to-end Ariba Spend Management solutions - Ariba provides one platform for sourcing, contracts, procurement, invoicing and analysis

SOLUTION ELEMENTS

- Supplier Collaboration – Qualifies and enhances the individual transaction to maximize value even if preceded by a sourcing event. Offer ranking among supplier bids can be visible and encourages further collaboration. (See Figure 2)
- Services Drivers – Contingent Labor, Print, Marketing, Consulting and Generic drivers are templates that facilitate deployment with functionality such as time cards, fixed fee and other service-specific features. They also enforce compliance via data capture, policy enforcement and budget management.
- Ariba Services Channels are pre-enabled with suppliers, rate cards, definitions and compliance mechanisms that plug into the Ariba Services, integrating best practices and speeding time to value. The Ariba Temp Labor Channel includes staffing categories and nearly 1,000 job descriptions.
- Rate card compliance is enforced with each supplier proposal and order.
- Ariba's vast network of over 183,000 suppliers allows you to easily collaborate and do business with the right supplier. (See Figure 3)
- Customer catalog policies are derived from requisition category line item details, supplier collaborations, rate card compliance and category-specific receiving and invoicing data. This leads to greater control over the services procurement process.
- Spend visibility into all category spend is accomplished by tracking supplier fill rate and total spend.

Figure 2 – the benefit of collaboration with Ariba Services Procurement and the foundational benefit of Ariba Supplier Network:



ADDITIONAL SOLUTION ELEMENTS

Ariba Services Procurement is delivered as part of Ariba Procurement or Ariba Procurement Content. Ariba Procurement provides rapid savings through compliance of process, price and suppliers along with total spend visibility. Ariba Procurement Content unlocks the value of your existing procurement system—providing access to a single content source for all commodities and ensuring procurement compliance in an easy-to-use intuitive search experience. Please contact Ariba to find out which solution is right for you.

ABOUT ARIBA, INC.

Ariba, Inc. is the leading provider of on-demand spend management solutions. Our mission is to transform the way companies of all sizes, across all industries, and geographies operate by delivering software, service, and network solutions that enable them to holistically source, contract, procure, pay, manage, and analyze their spend and supplier relationships. Delivered on demand, our enterprise-class offerings empower companies to achieve control of their spend and drive continuous improvements in financial and supply chain performance. More than 1,000 companies, including more than half of the companies on the Fortune 500, use Ariba solutions to manage their spend from sourcing and orders through invoicing and payment. For more information, visit www.ariba.com.

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