

# PROCUREMENT AND EXPENSE

## Ariba Procure-to-Pay™



Procure-to-pay is critical to improving purchasing performance and efficiency but, most importantly, it is absolutely essential for driving bottom-line savings. The hard work expended to capture savings during the sourcing process is lost if there is no process to ensure compliance at the point of purchase. The Aberdeen Group found that companies that implemented a formal procure-to-pay program achieved between five and 20 percent (as a percent of spend being managed) savings plus numerous process and performance benefits. Additionally, Aberdeen noted that companies that have deployed Ariba solutions are significantly outperforming their peers.

Obstacles such as inconsistent purchasing processes or hard-to-use ERP systems prevent most companies from fixing the leakage that inevitably occurs. These problems most often occur because:

- Users buy goods and services via the easiest means possible, and are often confused by what items are okay to buy, through what systems, under what budget, and with whose approval.
- Supplier communication regarding POs and invoicing is not electronic nor is it closed-loop.
- The Procurement and Payables organizations are not solving this problem together. Automating procurement yet neglecting the needs for your AP department is a losing proposition.

Ariba Procure-to-Pay combines industry-leading procurement, contract, supplier, and invoice functionality with an unparalleled offering of supplier enablement, catalog management, support, hosting and training services. The solution fully manages your procure-to-pay process, ensuring that users are buying the right items at the right price from the right supplier.

### HOW IT WORKS

Ariba Procure-to-Pay is an on-demand, hosted solution that allows you to focus on driving bottom-line savings through:

- **Requisition Creation** - An easy-to-use Walkup UI™ provides a self-service user interface for creating requisitions that all levels of users can use. The catalog interface allows users to search for items and add them easily to their shopping cart, and non-catalog requisitions can also be created.
- **Easy Approvals** - Automated workflow approval rules can be based on spend amount, supplier, and commodity type. Email Notification with approve/ deny buttons, line item details, comments, and approval history helps expedite the approval process.
- **Contract Compliance** - Purchasing contracts can be created at the supplier, commodity or line item level and can be enabled in the user interface or imported via Excel. Contract terms can be applied to the PO or to the invoice if no PO exists.
- **Requisition Import** - Procure-to-Pay allows importing of requisitions from external systems such as auto-reorder inventory systems to take advantage of contract compliance and PO routing to suppliers.

### SOLUTION BENEFITS

Ariba Procure-to-Pay offers many benefits, including:

- Electronic requisition creation and approval for both catalog and non-catalog spend
- Compliance to existing contracts for both PO and Non-PO spend
- Reduction in maverick spend by increasing spend capture
- Reduction in order and invoice cycle times for better utilization of existing procurement and payables staff
- Increased savings through critical services like supplier enablement and catalog management
- Best practices spend analysis through pre-packaged reports and customizable analytical reporting
- An unparalleled supplier network that ensures robust, fully electronic communication with your suppliers for not only PO submission, but order status, advanced ship notices, invoice delivery, invoice reconciliation and settlement
- Increased supplier adoption by providing a single connection point for suppliers to interact with any and all Ariba customers

- **Electronic Routing of POs to Suppliers** - Purchase orders are sent to suppliers via the Ariba Supplier Network. Suppliers can set their own preferred PO communication method such as FAX, email, cXML, EDI, etc. In addition, they can electively send order confirmations and/or advance ship notices that help facilitate supplier-to-buyer communication.
- **Pcard Ordering and Reconciliation** - Procure-to-Pay allows you to take full advantage of your Pcard program with Pcard ordering in addition to complete level 3 reconciliation (based on card and supplier capabilities). Configure both user and/or supplier (ghosted) cards. Configure all your card rules right in the Procure-to-Pay application.
- **Receiving** - Receiving can be configured by commodity and allows auto, full, partial, negative and amount-based receiving. It can be set up to be done centrally or by an end user.
- **Electronic Routing of Invoices from Suppliers** - Suppliers can send electronic invoices directly to the customer. An easy-to-use PO-flip functionality allows suppliers to select POs and create electronic invoices easily with a single-click. Large suppliers can upload their invoices via cXML.
- **Reconciliation and Payment** - As electronic invoices are pre-matched and reconciled at a line item level, the business unit and accounts payable team can manage the line item discrepancy on an exception-only basis—speeding up the process considerably. Once the reconciliation process is done, a detailed OK-to-pay notification file is generated.
- **Reporting** - Pre-built and custom reports in an easy-to-use interface provide purchasing teams with insightful data on spending patterns and cycle time.
- **Administration and Configuration** - A robust administrative UI allows business users to configure business rules and processes in the system without the need for expensive IT resources.

## WHY ARIBA?

To be effective, any procure-to-pay solution must deliver speed, sustainability, coverage and flexibility. With more than \$190 billion in spend and 20+ million

POs and invoices annually across all major industries, Ariba has the experience and knowledge base necessary for success. Ariba Procure-to-Pay offers multiple unique capabilities to organizations of all sizes to assure these essential criteria:

### SPEED:

- Quick implementation (flexible, extendable architecture) and ease of use and training
- Globally deployable and offers scalability and performance
- Rapid supplier enablement for catalogs, POs and electronic invoices

### SUSTAINABILITY:

- End-to-end procure-to-pay process coverage delivered in a sustainable low cost of ownership model
- Closed-loop process to capture savings, integrating with your ERP system, your suppliers, and additional categories of spend

### COVERAGE:

- Ability to automate repeatable best practice processes and analyze operational spend performance
- More than 150,000 suppliers on Ariba Supplier Network

### FLEXIBILITY:

- Configurable user interface to adapt to complex business processes
- Flexible deployment options that work for growing businesses

## WHAT NEXT?

Best-in-class companies, including some of your competitors and customers, have procure-to-pay programs in place today. With an on-demand delivery model that includes deployment, hosting, training and support as part of the solution, what are you waiting for? Call Ariba now to get started with your procure-to-pay initiative today.

## ABOUT ARIBA, INC.

Ariba, Inc. is the leading provider of spend management solutions to help companies realize rapid and sustainable bottom line results. Successful companies around the world in every industry use Ariba Spend Management™ software and services. Ariba can be contacted in the U.S. at 1.650.390.1000 or at <http://www.ariba.com>.

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