

ARIBA FINANCIAL SOLUTIONS

Payment Management



REDUCING COSTS AND MINIMIZING RISK WITH A COLLABORATIVE PAYMENT PLATFORM

Today's payables executives face growing pressure to drive operational efficiency and mitigate risk and fraud associated with the disbursement process. As a result, accounts payable (AP) departments need innovative ways to streamline payment procedures, reduce processing costs, and minimize financial loss due to fraud and late payment fees. To achieve these goals, many companies are incorporating e-payment technologies, such as an automated clearing house (ACH), into their operations. ACH is a popular option because it costs less than wire transfers, eliminates paper processing and lost checks, and strengthens supplier relationships by simplifying the receivables process.

But if your AP department already has an ACH program, you may be struggling to realize expected return on investment due to low supplier participation, the high cost and risk of maintaining supplier bank accounts, and insufficient budget and resources. For example, most AP departments lack the staff to effectively handle the thousands of supplier calls regarding issues such as payment status, which can have a negative impact on vendor relations.

OPTIMIZING PAYMENT MANAGEMENT WITH ARIBA

Ariba addresses the challenges of electronic payment management by providing an affordable, open e-payment platform that delivers value to both buyers and their suppliers. Our network-based, collaborative payment platform reduces AP costs by supporting solutions that enable:

- Supplier enrollment and enablement solutions
- Supplier self-service bank account maintenance
- Bank routing verification
- Automatic remittance detail delivery
- Supplier self-service access to payment status information

Ariba Payment Automation

Ariba® Payment Automation allows you to set up and manage traditional electronic ACH payments with your existing bank and leverage the Ariba Network for delivering detailed remittance information to your suppliers.

Seamless integration with your AP system ensures payment remittance detail can be delivered to your suppliers in the the most optimal format. Once payment is made from your back-office ERP system – which is connected directly to your bank – the Ariba Network sends detailed remittance via email, EDI, or cXML to their Ariba Supplier Portal, where your suppliers can download the remittance into their AR system, print it, or save it into an Excel format. Suppliers can use this detailed remittance to quickly and easily reconcile payments to the original invoice or purchase order.

Key Benefits

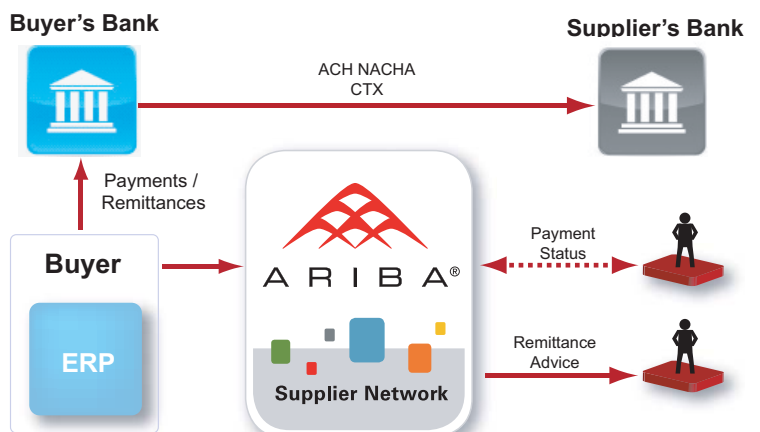
With Ariba Payment Automation, you can:

- Eliminate the costs of handling supplier inquiries pertaining to payment and remittance reconciliation – events that typically consume 30 percent of AP staff time.
- Ensure that remittances don't get lost or incorrectly correlated to invoices.
- Eliminate paper and check printing and processing costs.

REALIZE THE BENEFITS OF EPAYMENTS TODAY:

- Increased ACH supplier penetration
- Ariba-maintained connections with banks
- Real-time payment status monitoring and dashboard-enabled views for faster identification and management of failed payments and exceptions
- Lower ACH costs because you can choose your preferred ACH format (CTX, CCD, or CCD Plus)
- Reduced processing costs enabled by supplier self-service functions
- Reduced risk associated with Sarbanes-Oxley compliance, as suppliers can safely maintain their own bank account information

Payment Automation



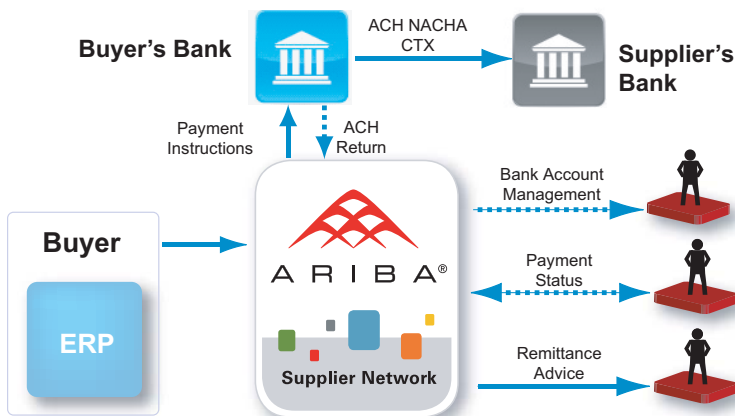
Ariba Payment Professional

Ariba Payment Professional (Ariba Payment Pro) offers a total payment solution that takes payment automation, efficiency and control to the next level. First, Ariba provides a safe, secure, self-service feature that allows enrolled suppliers to maintain their own remittance name, address, and bank routing information. This frees your staff from the burden of this time-consuming task, gives suppliers more control over their bank routing information, and centralizes this information so you can make payments quickly and efficiently using the Ariba Network.

Second, with Ariba Payment Pro, you no longer need to maintain payment integration directly with your bank because payment automation and remittance detail is enabled via a single connection to the Ariba Network enabling a faster, more-automated e-payment process. Here is how Ariba Payment Pro works:

- You send a payment instruction file (PIF) from your back-office system to the Ariba Network.
- The Ariba Network appends your ACH payments with your supplier's bank account information maintained by suppliers in the Network.
- The Ariba Network integrates with your disbursing bank and sends the PIF from the Ariba Network to the bank. The PIF can include all payment methods (ACH, check, and wire).
- The bank then sends the "successful" and "failed" payment status updates, allowing buyers and suppliers to manage payment exceptions electronically.
- Ariba Payment Pro then automatically generates detailed remittance advice and transmits it to the supplier.
- Your suppliers can log into the Ariba Supplier Portal and view up-to-date information about payment status, exceptions, and reporting in real time.

Payment Professional



Key Benefits

With Ariba Payment Pro, you benefit from:

- Increased ACH supplier penetration.
- Ariba-maintained connections with banks, which eliminates the need for your IT department to establish and manage

connections with banks for ACH payments.

- Real-time payment status monitoring that simplifies identification and management of failed payments and exceptions between the Ariba Network and your bank
- The flexibility to choose your preferred ACH format (CTX, CCD, or CCD Plus) to drive down ACH costs.
- Supplier self-service functions that eliminate the need for your AP staff to maintain supplier information in back-office systems and handle time-consuming supplier inquiry calls
- Reduced risk associated with Sarbanes-Oxley compliance, as suppliers can safely maintain their own bank account information.

Supplier Enablement Solutions

Many traditional ACH programs stall because of low supplier participation, but when you leverage Ariba's supplier enablement solutions, you can quickly achieve up to 100 percent supplier enablement. Whether you have 200 or 2,000 suppliers to bring on board, Ariba has the professional staff, proven processes, methodologies, and technologies to contact your suppliers on your behalf, explain the benefits of the Ariba Network for their business, and give them access to a fast, automated enrollment and enablement process. Specifically, Ariba staff will:

- Make suppliers aware that you will pay them electronically via the Ariba Network using ACH.
- Instruct suppliers on how to configure their settlement information in the Ariba Network.
- Send out a welcome letter and a link to a supplier education portal that provides information on how to enroll and transact using the Ariba Network.
- Work with each supplier to accommodate any level of technical sophistication – from high tech and low tech – so all of your suppliers can transact over the Ariba Network.
- Maximize opportunities to electronically connect suppliers via EDI or cXML.

Ariba also supports suppliers that aren't ready to enroll in the Ariba Network. You simply pass the supplier's bank routing number and account information to Ariba in your payment instruction file. This enables you to use the Ariba Network to generate a single payment feed to all of your suppliers' banks.

FOR MORE INFORMATION

For more information about Ariba's payment management solutions, please contact your Ariba representative or visit www.ariba.com/solutions/financialsolutions.cfm

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>.

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