

# Ariba Services Invoicing Straight-Through Processing of Project-Based Spend

## Benefits

- Creates a reliable, collaborative process for managing service entry sheets and invoicing for complex services
- Supports order confirmation of complex services to enforce compliance
- Enables creation of electronic invoices from service entry sheets to drive touchless processing
- Captures line-item detail for better analysis of, and control over, complex services spend
- Improves ability to earn discounts in negotiated contracts

## Results

To drive straight-through processing of its indirect and MRO spend, a global mining and petroleum company was able to:

- Leverage e-business best practices to automate purchase and invoice processes for materials and services
- Ensure contract compliance for indirect and MRO spend and compliance to service entry sheets for complex services
- Enable closed loop electronic collaboration with suppliers, bolstered by Ariba's global enablement support, to reduce supplier inquiries
- Customize SAP® Ariba® solutions per company process and rules to minimize impact on their single, global instance of SAP
- Capture detailed data on supplier invoices to allow cost code assignment for approval routing and improved discount capture

Electronic invoicing is a proven approach to eliminate paper in accounts payable and simplify invoice processing for products and simple services. For complex, project-based services utilized for construction, engineering and facilities management, traditional e-invoicing approaches fall short, and organizations often turn back to manual methods for processing. This increases compliance risks, chances of overpayments, and the resources required to reliably process project-based invoices.

The Ariba® Services Invoicing solution overcomes these limitations of legacy invoice management solutions. It supports the real-time creation and approval of service entry sheets, and the ability to quickly create error-free invoices from them. Through the Ariba® Network, you collaborate on projects with service firms and contractors around the world before any service is performed. Suppliers can access contracts and rate data to create service entry sheets for planned and unplanned services, then "flip" them into invoices for straight-through processing.

With this collaborative approach, you enjoy a greater level of error-free invoice processing and compliance support for complex services than you have for other products and services managed by purchase orders. Now you can improve control over the most challenging portion of your spend, while you capture and analyze detailed, line-level data for better spend management. In addition, by integrating Ariba Services Invoicing with Ariba's full suite of source-to-settle solutions, you can improve strategic or tactical sourcing, management of contracts, and supplier information and performance management for qualified suppliers.

Ariba Services Invoicing enables management of any complex spend category, including:

## Features

**Technology:** Business rules for order confirmations and service entry sheets that you can configure for transactions and by supplier groups; support for ad hoc items, comments, and attachment of field tickets and other essential documentation to confirm completion of service; ability to easily transfer PO data onto service entry sheets and "flip" an approved service entry sheet electronic invoices for straight-through processing

**Community:** Ariba Network, the world's largest global trading community with more than one million trading partners, allowing you to collaborate with your suppliers over service entry sheets before invoices are submitted against them

**Capabilities:** Improves control over complex services invoices, for both planned and unplanned projects; ensures that all services conform to your policies and procedures; drives error-free invoicing and on-time payment performance; captures detailed, line-level invoice data to improve control over spend; increases opportunities for early payment discounts

## WHY ARIBA SERVICES INVOICING

For construction, oil and gas, utilities, and related industries where complex services are vital to business operations, the time and effort required to process services invoices are unacceptable. Ariba Services Invoicing addresses this business problem with an electronic invoicing solution for complex services that overcomes the obstacles to business process efficiency, and helps you and your suppliers achieve new collaboration potential.

As a cloud-based solution that complements SAP® Ariba® solutions for purchase order and contract invoicing, Ariba Services Invoicing delivers these advantages across your enterprise.

## Increased price compliance during the procurement process

Complex services and stocked MRO items are among the most critical expenses you have to manage, and the most difficult to control. Relying on manual, paper-based invoice processing, however, increases your risks of contract leakage and overpayments. By enabling an automated process for managing these invoices, Ariba Services Invoicing eliminates invoice errors and processing delays to make complex services invoicing as reliable and efficient as PO, blanket PO and contract invoicing.

## About SAP® Ariba® Solutions

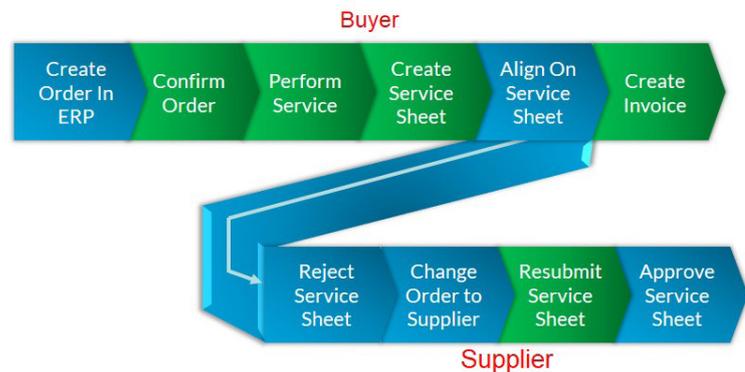
SAP® Ariba® solutions support the marketplace for modern business, creating frictionless exchanges between millions of buyers and suppliers across the entire source-to-pay process. Our market-leading solutions enable companies to simplify collaboration with their trading partners, make smarter business decisions, and extend their collaborative business processes with an open technology platform. More than two 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](http://www.ariba.com).

### Increased spend visibility and risk management from embedding a standardized process

Suppliers can create service entry sheets in one of four ways: through an online tool, as a CSV file upload comprising thousands of lines and multiple service entry sheets, as a cXML file, or through third-party integration via Dell Boomi using industry-specific standards such as PIDX for the oil and gas industry. Ariba Services Invoicing allows suppliers to include three types of ad hoc line items: fixed fee, rate based, and materials with quantity and price. Your suppliers can also associate multiple POs onto one service entry sheet, while you can set business rule tolerances against each order.

### Consistent delivery of accurate invoices

Standard approaches to complex services invoicing often require extra time and effort to verify that work was completed at contracted rates after invoice submission. By connecting with suppliers over the Ariba Network, collaboration over service entry sheets occurs in real-time, so you can review and approve all line items on a service entry sheet before creation of the invoice. With this process, your suppliers can consistently deliver an accurate invoice that you can process in a fraction of the time of paper-based invoices.



Ariba Services Invoicing creates a simplified, collaborative process for managing project-based invoices, and allows you to flip service entry sheets into electronic invoices for straight-through processing.

### Increased price and process compliance during the invoicing process

SAP Ariba solutions pioneered innovative straight-through processing with PO-Flip® software. In a similar way, Ariba Services Invoicing allows you to “flip” a service entry sheet response into an invoice for touchless processing and improved compliance. In addition, you can leverage a contract or catalog to enrich and validate the service entry sheet or invoice for automatic posting.

### Ensuring timely payments along with the capture and expansion of early payment discounts

The ability to process clean, valid complex services invoices in a few days not only eliminates potential penalties from late payments, but also allows you to capture all available early payment discounts. Backed by a more efficient, automated invoice process, your procurement organization can expand early payment discount terms to new suppliers, and have the confidence that you can capture them.

### READY TO GET STARTED?

Ariba Services Invoicing extends global e-invoicing capabilities to help you enforce compliance, achieve touchless processing rates of 98% or higher, drive alignment between procurement and accounts payable, and transform accounts payable from a cost center to a profit center. For more information on how SAP Ariba solutions for e-invoicing can help your accounts payable process, contact your local representative.

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