

SAP Solution Brief

SAP Ariba Solutions | Ariba Network

Ariba® Network – Enabling Business Commerce in a Digital Economy

THE BEST RUN





Automate commerce to connect with suppliers

In a digital economy, moving from paper to electronic processing can expedite delivery of compliant purchase orders (POs), eliminate invoice errors, speed invoice approvals, and improve on-time payment performance. Top performers are also extending e-commerce capabilities to **enforce compliance for all spending**, increase cash earnings, and optimize their working capital.

Automate commerce to connect with suppliers

That's why more organizations are turning to commerce automation over Ariba® Network to connect with suppliers and manage POs, invoices, and payments. As one of the world's largest business networks, Ariba Network connects buyers with all their suppliers regardless of size, location, or technical sophistication. It has made cloud-based commerce as easy for businesses as it is for consumers.

With Ariba Network, buyers and suppliers can transact at Internet speed to process invoices for

all spending: indirect, direct, and services, as well as PO and non-PO invoices. Buyers can consolidate the processing of paper and electronic invoices and achieve "perfect payables" through their suppliers' use of the PO-Flip feature, as well the ability of suppliers to generate invoices from service entry sheets for complex services. They can trigger self-billing using an evaluated receipt settlement (ERS) from a goods receipt. Buyers can time payments to optimize their working capital, while suppliers gain real-time views into payment status and early-payment options to improve their cash flow.



Achieve breakthroughs in straight-through invoice processing

Eliminating invoice errors and supplier inquiries is a priority for world-class accounts payable (AP) departments. Now you can get closer than ever to this goal with electronic invoicing over Ariba Network. You can speed invoice approvals, help ensure compliance with procurement policies, and achieve new levels of invoice processing performance.

By connecting with suppliers over Ariba Network, you can capture and automate the processing of nearly all your invoices, including non-PO invoices and invoices for complex services. A key feature is the smart invoicing approach of SAP® Ariba solutions, where user-configurable business rules drive high levels of touchless invoice processing. For those suppliers that continue to send PDF

invoices by e-mail, our smart PDF invoice capability can extract the data and transform it into an electronic invoice for processing.

Now, instead of focusing on data entry, handling invoice errors and exceptions, or answering supplier calls about invoice status, your AP staff can encourage suppliers to adopt electronic invoicing. This helps you enforce compliance with POs and contracts, identify early-payment discount opportunities, and get value-added support.

By empowering AP with a touchless invoice process, you can elevate the AP department to a strategic role within corporate finance and an asset to procurement.

Achieve breakthroughs in straight-through invoice processing

- Collaborate more effectively with suppliers
- Supplier portal with a global reach
- Manage complex services and non-PO invoices effectively
- Address global e-invoicing requirements
- Gain broad network support to extend the reach of e-commerce
- Lose the paper – go digital



Collaborate more effectively with suppliers

By managing business commerce over Ariba Network, you join a global trading community of millions of users. Companies often find that many of their suppliers are already part of this network, which speeds the transition from paper processing to e-commerce. And with no technical barriers to participation, you can easily onboard any suppliers that are not connected to the network.

Rules-based automation is a key differentiator with SAP Ariba solutions. These rules automatically detect invoice errors and exceptions on submission, returning problem invoices to suppliers for

correction before posting to your payables system. This helps ensure that invoices can be processed without manual intervention, eliminating common processing delays.

Ariba Network also lets you manage other core transaction documents that are outside the scope of niche business networks. These include quotes, catalogs, contracts, advance shipping notices, freight, and payment remittance, for example. Linking all key transaction documents to invoices helps you manage spending better and enforce procurement policies.

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Extend e-commerce activities to all suppliers and to essential transaction documents beyond just the invoice.



Supplier portal with a global reach

A self-service portal for suppliers extends e-commerce capabilities to all their customers connected through Ariba Network – a vast improvement over the one-to-one connections of EDI and other legacy networks.

Suppliers can submit electronic invoices over Ariba Network that conform to standards such as cXML and EDIFACT, or as comma-separated value (CSV) files, Web forms, and PDFs generated from a supplier's accounting system. With our cloud integration gateway capability, suppliers can connect once to Ariba Network to transact immediately with multiple buyers. This lets them scale their businesses quickly.

Suppliers can deliver e-catalogs to their customers over Ariba Network; generate invoices from purchase orders, contracts, and service entry sheets; and view invoice and payment status. They can use the network to reconcile payments, forecast cash flow, and generate new business. SAP Ariba solutions also support suppliers that want to manage transactions from their mobile applications.

Self-service over Ariba Network allows suppliers to update their contact and banking information and access current invoice status and payment scheduling. That means they don't need to call you. And with our light account capability, your low-volume, nonstrategic suppliers can connect and transact electronically with you at no cost to them.

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Manage complex services and non-PO invoices effectively

To manage non-PO invoices better, the SAP Ariba Contract Invoicing solution provides a way for suppliers to create invoices from contracts. It is available for supplier-, commodity-, catalog-, and item-level contracts. This solution simplifies account coding and creating contract invoice templates, helping you consolidate items you need on a recurring basis. These and other valuable features help ensure that non-PO invoices meet the level of compliance your business requires.

For complex, project-based services, companies often turn back to inefficient manual methods for processing. Commerce automation over Ariba Network overcomes these limitations, enabling suppliers to access contracts and rate data to

create service entry sheets for planned and unplanned services. Suppliers can then simply “flip” these service entry sheets into invoices for touchless processing. With this approach, you enjoy a greater level of error-free invoice processing and improved contract compliance for project-based services.

To further simplify invoice processing, Ariba Network has options for buyers to create invoices on their supplier’s behalf; for example, flipping a goods receipt into an invoice. In addition, buyers can create credit and debit memos as needed to ensure reliable, accurate transaction processing and account reconciliation.

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Address global e-invoicing requirements

Achieving regulatory compliance is essential to any successful global e-invoicing initiative. Ariba Network helps organizations in more than 190 countries, over 70 currencies, and in 24 languages make transactions that are compliant with tax legislation and other e-invoicing requirements.

SAP Ariba solutions provide configurable templates for tax invoicing, optional long-term archiving, and support for digital signatures and real-time audit integration as required by country-specific tax regulations. These help buyers and suppliers meet country-specific requirements for

invoice content, format, integrity, authenticity, legibility, and archiving.

To help you calculate complex indirect taxes for different countries, the integration of the Thomson Reuters ONESOURCE solution with SAP Ariba solutions enables real-time tax calculations for VAT, goods and services tax (GST), and ERS invoices. This portfolio of compliance and reporting applications supports operations for customers in 140 countries. To prove invoice authenticity and integrity, SAP Ariba solutions also support e-signatures wherever required.

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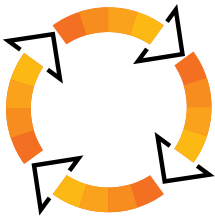
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Lose the paper – go digital

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Get support for digital signatures and **real-time audit integration** as required by country-specific tax regulations.



In addition, you can configure business rules at a country level on Ariba Network and apply them to e-invoice templates. These rules are based on best practices supported by SAP Ariba solutions as well as expert tax research into e-invoicing legislation relating to domestic, cross-border, and intra-EU trade.

To help ensure compliance with regulations for storing financial records, SAP Ariba solutions provide several options for archiving your invoice documents. You can download invoices in various formats for archiving per your company's policies. You can perform early archiving of e-invoices with the SAP Ariba Invoice Management solution, our cloud-based invoice capture and workflow solution. SAP Ariba solutions also include an integrated EU-based long-term archiving solution that addresses country-specific archiving requirements.

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Consider Ariba Network the foundation of **your global e-invoice program**.



Gain broad network support to extend the reach of e-commerce

Buyers and suppliers can easily integrate Ariba Network with their core back-office systems to expedite transaction processing. For buyers, this includes native integration of Ariba Network with the SAP Ariba Buying and Invoicing solution, SAP ERP Central Component, and SAP S/4HANA®. Ariba Network also integrates readily with software from Oracle Corporation, PeopleSoft, and JD Edwards, and with other popular enterprise resource planning (ERP) software.

With the SAP Ariba Cloud Integration Gateway solution, suppliers can enable system-to-system integration over Ariba Network in a fraction of the time that other methods require. This innovation supports widely used file formats such as EDIFACT, the international EDI standard.

With open APIs for SAP Ariba solutions, organizations can connect Ariba Network to partner networks to expand global e-invoicing capabilities and support popular e-invoice standards and protocols.

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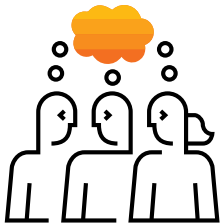
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An open network and simple integration options
unleash new e-commerce potential.



Lose the paper – go digital

Paper invoices are the cause of many invoice exceptions, supplier inquiry calls, and processing delays. SAP Ariba solutions offer several options for dealing with paper, including electronic processing of PDF invoices through Ariba Network. With this approach, invoice data is automatically extracted from the PDF, transformed into an electronic invoice, and processed over the network as a standard e-invoice.

With the invoice conversion service capability in SAP Ariba solutions, you can digitalize paper invoices without incurring the high costs of scanning and OCR equipment. You can eliminate the need for expensive mail room and storage facilities. All paper invoices go through scanning

and OCR or double-blind key data entry. Header and line-item data extraction provides the rich level of detail required to achieve high straight-through processing rates. This helps you to consolidate the processing of paper and electronic invoices, applying the same automated validation and exception-handling workflow across the board.

SAP Ariba solutions also offer digital archiving to bring further reductions in paper handling. And with tools for inviting suppliers to join Ariba Network and transact electronically once they reach certain invoice volume thresholds, SAP Ariba solutions can help reduce your paper invoice volume over time.

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Intelligent transaction processing to better manage cash

SAP Ariba solutions extend your ERP or AP software through an intelligent, e-commerce network that connects you with global suppliers operating on a cloud-based platform. While alternative approaches to invoice automation may deliver documents electronically, SAP Ariba solutions go well beyond document delivery. Our approach validates the accuracy of invoice data over Ariba Network, allowing you to apply generic and configurable business rules across many business processes and document types for touchless invoice processing.

With Ariba Network, you can enforce compliance and prevent contract leakage that invoice-only networks can't address. You have at your fingertips an unparalleled set of processing options to simplify invoice processing, even for spending without POs and for complex services, letting you enforce compliance with preferred suppliers and negotiated prices. You can flip purchases orders, contracts, and service entry sheets into invoices. You can deliver electronic order confirmations and advance shipping notices.

Intelligent transaction processing to better manage cash

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Put at your fingertips an unparalleled set of processing options that let you **enforce compliance with preferred suppliers** at negotiated prices.



Messaging and integrated, context-driven chat functions allow easy collaboration between procurement, AP, users, and suppliers to resolve any invoice exceptions and accelerate invoice approvals. This allows AP to focus on more strategic tasks, such as encouraging suppliers to move from paper to electronic processing, monitoring their performance, or expanding the capture of early-payment discounts.

Because you can process a clean, valid invoice in a few days over Ariba Network, you can capture all available early-payment discounts, increasing your cash earnings while reducing risk in your

supply chain. You can combine a payment-term extension program with supply chain financing to optimize working capital while using third-party funders to pay your suppliers early in exchange for a small fee.

Greater visibility, enhanced connectivity, and improved collaboration over transactions, cash, and working capital all contribute to stronger trading partner relationships. With Ariba Network, buyers and suppliers can streamline their business commerce operations, lower their costs, and improve the way they work together.

Intelligent transaction processing to better manage cash



Summary

With commerce automation over Ariba® Network, you can turn transaction processing with suppliers into a competitive advantage. You can expedite the processing of valid invoices, enable consistent on-time payment performance, strengthen supplier relationships, and lay the foundation to manage your cash better and optimize working capital.

Objectives

- Accelerate delivery of compliant orders and the processing of valid, tax-compliant invoices
- Prevent contract leakage
- Support evaluated receipt settlement (ERS) invoicing, contract invoicing, and invoicing off services entry sheets
- Expand scope to all spending and to purchase order (PO) and non-PO invoices
- Lay the foundation to manage cash better and optimize working capital
- Strengthen supplier relationships

Solution

- Business commerce collaboration over Ariba Network
- Open APIs and cloud integration gateway capability to extend Ariba Network
- Optional electronic invoice capture and workflow
- Light account for transacting with long-tail suppliers at no cost to them

Benefits

- More spending off POs and close to 100% touchless invoice processing
- Compliance for non-PO and PO invoices, ERS invoices, and invoices for complex services
- Interoperability with other networks and support for standard invoice file formats
- Better management of cash and working capital for buyers and suppliers

Learn more

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