

Effective Management of Non-PO Invoices

SAP Ariba 



Help ensure compliant non-PO invoicing

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For recurring and unplanned services such as landscaping, equipment installation and maintenance, or printing, you need a streamlined way to approve invoices, with easy access to contracted rates. The SAP® Ariba® Contract Invoicing solution allows your suppliers to [create invoices against contracts](#), enabling fast, efficient processing of non-PO invoices.

Integrated with cloud-based solutions for sourcing and contract management, SAP Ariba Contract Invoicing enables straight-through processing of non-PO invoices to help ensure the compliance that your business requires.

While the SAP Ariba software lets you process non-PO invoices for services with fixed contract rates, where the solution stands out is in its ability to handle the processing of invoices for services with tiered or discount pricing. You can also process invoices for services with rates that vary by type of service, where it was delivered, when it was performed, or some other variable.

Having suppliers create an invoice from a contract or rate sheet removes AP staff from review and approval of these invoices. You just confirm that the work was completed and the invoice is ready to pay.

By replacing a manual process, you reduce errors, speed processing time, and lower costs. With SAP Ariba Contract Invoicing, you can manage your non-PO invoices as effectively as invoices driven by POs.



Enforce your contracts and protect against rogue spend

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Simplify accounting with advanced contract invoicing

Apply contract invoicing to a broad set of services

Support new e-invoice processing potential

Take advantage of a global business commerce network

Your procurement team may be great at negotiating contracts with suppliers, but how can you be sure that negotiated prices get enforced on the invoices processed against them?

SAP Ariba Contract Invoicing does just that. This collaborative SAP Ariba solution automates the creation of invoices from contracts to help ensure that non-PO invoices honor all your agreements. You can manage straight-through processing of invoices for different contract levels:

- **Item** covers only specific catalog items.
- **Catalog** covers all items from a specific catalog of the supplier.

- **Commodity** covers a supplier's items for specific commodity codes, which is useful for aggregating spend on invoices for commodities with fluctuating prices.
- **Supplier** covers all of a supplier's products or services and can be used as a master agreement to manage specific projects invoiced against it.

The solution also supports blanket purchase orders, providing an effective approach to processing goods and services you may reorder throughout the year, while enforcing order limits that may be defined with that supplier.

Item-level processing lets you select contract line items and “flip” them into invoices.



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With SAP Ariba Contract Invoicing, you can handle unexpected items and charges. You can include additional pricing terms for fixed and recurring itemized fees on invoices, and add costs and expenses as needed.

For non-PO invoices, the solution automatically applies relevant accounting elements such as project, cost center, department, commodity map, user, or general ledger account from the contract.

You can also perform mass edits on accounting information and create contract invoice templates that consolidate items you need on a recurring basis. Add attachments such as a bill of lading or field ticket to further expedite invoice processing. In addition, take advantage

of innovative contract invoicing features such as tiered pricing and non-PO invoice matching with line items on cXML, CSV, and other imported invoices to contracts.

Support for tiered pricing allows you to specify different prices or discounts based on purchase volume – either dollar amount or quantity – against the contract. You can set cumulative volume discounts, where the price change applies when order volumes hit a certain threshold (for example, once annual order volumes reach 1,000 units). Or you can configure discounts by order size: for example, US\$5.99 per unit for orders of 19 or less, \$5.49 for orders of 20 to 49, and \$4.99 for orders of 50 or more.



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Contract invoicing is especially suited to those services where a supplier self-dispatches or where the dispatching process does not involve a PO. Examples include the following.

Snow removal – Providers can work with you to establish contracts that define the scope of services and ground rules for working together and that enforce these agreements during invoice processing.

Tree trimming – Through complementary SAP Ariba sourcing solutions and financial solutions, utility companies can work with these suppliers to define a preventive maintenance program and establish rate cards with

agreed-upon pricing for specific services. In addition, you can choose to dispatch a blanket PO to establish a budgetary limit for each service.

Equipment installations – You can standardize the services that subcontractors perform, automatically match prices on invoices, and force subcontractors to complete necessary steps and paperwork before billing.

Processing compliant invoices with SAP Ariba Contract Invoicing for these and other services such as waste management, equipment maintenance, or print and advertising can boost productivity while supporting sourcing and procurement teams.



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SAP Ariba Contract Invoicing can be used for real-time creation and approval of service entry sheets – and the ability to quickly create error-free invoices from them. Through Ariba Network, you collaborate on projects with service firms and contractors worldwide before any service is performed. Suppliers can access contracts and rate data to create service entry sheets for planned and unplanned services and then “flip” them into invoices for straight-through processing.

Use SAP Ariba Contract Invoicing when you are:

- Driving procurement compliance in the oil and gas, natural resources, and energy industry segments
- Moving estimate-based service contracts to the cloud
- Helping suppliers interpret large planned orders with service hierarchies
- Flipping multilevel service orders to invoices

In addition, by integrating the solution with the full suite of SAP Ariba solutions for source to settle, you can improve strategic or tactical sourcing, management of contracts, and supplier information and performance management.

With SAP Ariba Contract Invoicing, you can achieve a greater level of compliance support than for invoices driven by POs.



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Supporting a collaborative invoice process, SAP Ariba Contract Invoicing leverages the reach and power of Ariba Network, a global community of more than 2.5 million trading partners. Ariba Network automates collaboration and transaction processing across the e-commerce spectrum: source to settle for buyers and order to cash for suppliers.

All the business rules you configure in Ariba Network apply to contract invoicing, including supplier group rules and country-specific invoice rules. In addition, by digitally signing contract invoices, you can extend non-PO invoice processing to regions where a digital signature is required for authentication.

With many of your suppliers already active on Ariba Network, you can quickly connect with them for e-commerce. Those suppliers not on the network can be enabled for electronic processing through automated supplier enablement tools and flexible connectivity options. And for those suppliers still sending paper invoices, you can scan and convert the invoices to an electronic format.

As part of a family of integrated cloud applications, SAP Ariba Contract Invoicing extends the capabilities of the SAP Ariba Sourcing and SAP Ariba Contracts solutions. This lets you strategically source suppliers, formalize these agreements in contracts, and gain more control over your spend.



**Make accounts payable
an innovation center**

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With SAP Ariba Contract Invoicing, you can manage your most complex and challenging non-PO invoices, including those containing variable rates or tiered pricing.

In addition, SAP Ariba Contract Invoicing simplifies the processing of blanket purchase orders and different contract invoice types. You can automate account coding, perform mass edits to accounting information, reuse contract invoice templates, incorporate attachments in the invoice review and approval process, and more.

Part of a comprehensive approach to invoice management that helps accounts payable Run Simple, the solution can help your suppliers too. Self-service tools for suppliers eliminate invoice- and payment-status phone calls. Online dashboards centralize all documents and communications so that your suppliers can view approvals, payments, rejected orders, and more, which helps them with cash forecasting and dispute resolution.

Accelerate invoice processing, improve on-time payment performance, and maintain the financial health of your supply chain.





Objectives

Solution

Benefits

Quick Facts

Summary

To avoid rogue or off-contract spend and noncompliance with business policies, you need to efficiently and accurately process non-PO invoices. The SAP® Ariba® Contract Invoicing solution allows you to accelerate non-PO invoice processing and enforce compliance to contracts and rate cards.

Objectives

- Simplify processing of non-PO invoices, at lower cost
- Minimize invoice errors and exceptions
- Prevent rogue spend

Solution

- Contract invoicing to streamline non-PO invoicing and enforce contract compliance
- Support for complex invoices that contain variable rates and tiered pricing

Benefits

- Improve control over, and accelerate the processing of, non-PO invoices
- Accommodate multiple non-PO invoice scenarios, including invoices with variable rates and tiered pricing, automated account coding, and reuse of contract invoice templates
- Help sourcing and procurement capture negotiated savings
- Integrate with other SAP Ariba solutions to reliably source, contract, and transact with suppliers

Learn more

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