Benefits

- Mitigate supply chain risk by strengthening your suppliers’ ability to manage their cash needs
- Increase working capital and cash flow to improve business performance
- Strengthen brand value and build key trading relationships by helping suppliers during difficult times
- Gain greater control over payables, cash, and days payable outstanding
- Add crucial functionality to enhance your procure-to-pay program, generating economic value-add beyond price reductions
- Enhance supplier adoption of e-invoicing and working capital initiatives
- Use rapid ROI to fund your solution purchase and other organizational goals

OPTIMIZE CASH MANAGEMENT FOR SUPPLY CHAIN STABILITY AND SAVINGS

Effective cash management always plays a key role in business success. Yet in times of economic uncertainty, it becomes increasingly critical for both you and your suppliers. You need to ensure business continuity and reduce supply chain risk while still controlling costs and working capital, and your suppliers need access to cash so they can keep delivering the goods and services you require.

The SAP® Ariba® Discount Management solution provides a flexible, collaborative way to meet these goals, allowing you to boost supply chain liquidity and manage cash, payment terms, dynamic discounting, and workflow processes more efficiently. The result? You not only safeguard your supply chain now, but also build crucial relationships and resources to enhance financial results over the long term.

TURN YOUR INVOICES INTO ASSETS

SAP Ariba Discount Management combines advanced dynamic discounting technology with consulting expertise in payment terms strategy, enabling working capital management programs that improve cash flow, increase net income, and free up working capital.

SAP Ariba Discount Management is a cloud solution that resides on Ariba Network and easily integrates with any ERP system, delivering payment status plus a dynamic discounting portal for 100% of your suppliers and spend. Integration of discount management functionalities with other SAP Ariba procurement applications closes the entire commerce automation loop between sourcing, invoicing, and payment.

In an upbeat economic climate, the solution can help you transform invoices into strategic assets, driving gains across all three financial statements. Increased cash flow and savings from early payment discounts can drive a wide range of positive business outcomes, such as the ability to open new stores, build factories, invest in research and development, and raise shareholder dividends.

In periods of economic downturn, you can use the solution to inject liquidity into your supply chain, strengthening suppliers’ ability to meet cash needs and supporting their continued operation by helping them get paid early.

MAXIMIZE RESULTS WITH COMPREHENSIVE CAPABILITIES

Dynamic discounting
With SAP Ariba Discount Management, you can efficiently manage supplier discounts on a sliding scale based on payment dates. Dynamic discounting allows you to improve collaboration with suppliers and better manage cash while supporting your suppliers’ financial health.

Payment terms management
The solution automates early-payment discount management from initial offer to agreement, including transactions with prorated or dynamic discounts. You control the amount of cash that’s applied to discount programs, the desired hurdle rate, and which suppliers to target. Robust reporting gives you critical insights into early payment program metrics and savings captured.
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 4.6 million companies use SAP Ariba solutions to connect and collaborate around nearly US$3.2 trillion in commerce on an annual basis. To learn more about SAP Ariba solutions and the transformation they are driving, visit www.ariba.com.

Self-service supplier portal
The self-service supplier portal supports early payment collaboration with 100% of your suppliers, no matter what invoice submission method they use. Suppliers do not need to transact on Ariba Network to earn discounts. Through the portal they can gain full visibility into scheduled payment status, reducing manual inquiries.

Working capital management services
As part of your SAP Ariba Discount Management subscription, our working capital management services team helps you develop a strategy that balances discount income capture and cash flow improvement. Building on decades of experience in completing program design and deployment across the globe – including segmented supplier targeting, education, and supplier enablement – the team can leverage best practices to reach out to your suppliers and help you increase program adoption.

REALIZE VALUE ACROSS THE ENTERPRISE
SAP Ariba Discount Management offers extensive features and functionalities to drive benefits throughout your business, allowing you to:

• **Strengthen your financial supply chain:** Mitigate supply chain risk by strengthening suppliers’ ability to manage liquidity needs.

• **Enhance cash flow and working capital position:** You can expect approximately US$40 million of increased free cash flow for every $1 billion of spend extended 15 days.

• **Increase cash returns:** On average, SAP Ariba–led early payment programs earn APRs between 24% and 36%, significantly outperforming most internal investment hurdle rates or returns on short-term cash.

• **Fund core business objectives:** You can use cash flow and/or income generated through early payments to build new plants, open new stores, increase research and development spending, enter new markets, conduct mergers and acquisitions, pay down debt, issue dividends, and fund other strategic initiatives.

• **Assist suppliers with a flexible, non-debt source of capital:** By offering customized early payment discount rates to specific suppliers, you can help them avoid the debt and administrative burdens they might otherwise incur through government funding or other short-term sources of cash.

• **Improve your social responsibility and brand reputation:** Providing a helping hand during difficult times can boost your brand value to suppliers, customers, and the broader community.

• **Capture early payment discounts at any point to invoice maturity date:** Automating early payment terms lets you minimize missed discounts and capture greater savings from supplier discounts on an invoice-by-invoice basis any time.

• **Deliver greater transparency and efficiency:** Access to Ariba Network gives suppliers full visibility into when they’ll get paid, reducing the volume of inquiries to your accounts payable department.

GET STARTED TODAY