Here are answers to common questions about the payment capability from SAP Ariba.

2 SECTION 1: Payment Capability and Overall Value

4 SECTION 2: Delivery

5 SECTION 3: Buyers

6 SECTION 4: Suppliers

7 SECTION 5: General Functionality
SECTION 1: PAYMENT CAPABILITY AND OVERALL VALUE

Q: What is the payment capability available from SAP Ariba?

A: The payment capability offers the flexibility to manage multiple payment options over Ariba Network. With this business payment solution, you can choose to pay your suppliers with an electronic payment, including card payment, or with paper check. As a key component of our integrated procure-to-pay solution suite, the solution links payments to key control documents such as purchase orders, invoices, advance ship notices, and goods receipt, giving you and your suppliers more control over B2B payments.

Q: How does it work?

A: It starts with a buyer providing the list of suppliers they want to pay using our payment capability. SAP Ariba’s payment partners then collect the supplier bank information and conduct required regulatory compliance checks (for OFAC, KYC, AML, etc.). Suppliers provide their bank account details, copies of required tax reporting forms, and proof of banking relationship. Approved suppliers then get an SAP Ariba payment merchant identification number (AP-MID), and are ready to receive their payments.

When all the documentation and approvals are completed, buyers configure their enterprise resource planning (ERP) systems to direct payments through the payment capability of SAP Ariba. The ERP system remains the system of record, and is responsible for placing invoices in a fully approved, ready-to-pay status. The pay cycles continue as configured, with payment capability from SAP Ariba set as the settlement method.

Q: How is the electronic payment option from SAP Ariba different or better than other methods?

A: Electronic payment with SAP Ariba provides valuable features and capabilities that just aren’t available from legacy electronic funds transfer (EFT) systems. One major advantage is its integration into the pre-existing procure-to-pay cycle, linking detailed remittance and transactional information with every payment. Legacy EFT systems limit the delivery of remittance information through their proprietary file formats. In contrast, “rich” contextual remittance data is available to suppliers with our e-payment capability, including header-level and line-item level data from previously mediated Ariba Network invoices and even purchase orders. There’s essentially no limit to the level of remittance or transactional detail that can be provided: from the number of items in a shipment that were broken, to disputes, early payment discounts, or any other alterations to the expected payment. This makes it simple for suppliers to reconcile every payment.

Electronic payments from SAP Ariba also enable on-demand payment track-and-trace capability—permitting for the first time a bird’s-eye view on where payments are at any time in the settlement process.

In addition, electronic payment with SAP Ariba eliminates the need for buyers and sellers to capture, manage and maintain bank account information with multiple trading partners. This results in less time inputting, managing, or updating bank account information—and less opportunity for error or fraud. Bank account details are no longer stored in your ERP, where they are vulnerable. Rather, bank account details are handled by our payment ecosystem partners, where security is a core competency.
Q: Is the electronic payment option similar to a credit card product?

A: Payments with SAP Ariba do include a card settlement option, but our standard electronic payment solution is not a commercial card, p-card, buyer-initiated card, or any other version of a card product. No card agreement is required to accept these electronic payments with SAP Ariba, and there are no high-priced card fees. Our business partners such as Discover and First Data simply use their extensive payment networks to handle the settlement of funds, providing a secure and trusted payments infrastructure to facilitate transactions.

Q: Explain the other settlement options available from SAP Ariba.

A: While electronic payment systems such as the Automated Clearing House (ACH) in the U.S. and ELV, the electronic direct debit payment method supported by banks in Germany, are often a preferred settlement option, not every supplier will support them. In those cases, payment options from SAP Ariba include paper check and card settlement. Buyers can pay any supplier with a paper check, including suppliers not on Ariba Network. The current card settlement option is a pre-paid funded card, provided with our partner Discover, and these suppliers must accept Discover cards for payment.

In the first phase, these settlement options will be available in the United States. To help identify the best payment options for you, SAP Ariba can assist in the development of a payment program that segments suppliers by payment type.

Q: How does the check payment option work?

A: Buyers choosing to pay suppliers with paper checks simply submit a Payment Instruction File (PIF) to Ariba Network with check payment instructions. Check payments are printed with the buyer’s bank account information on the check. Buyers are responsible for their own stop payment and bank reconciliation. This offering is currently available in the U.S. market only.

Q: What are the benefits from using the paper check payment option?

A: Buyers that outsource their payment processing don’t want to deal with multiple payment providers and have separate reconciliation processes for each payment method. With SAP Ariba, buyers can consolidate multiple payment types on one platform, including paper checks, and pay any supplier via check whether they are registered on Ariba Network or not.

Q: Describe the card payment capability.

A: Card payment is part of SAP Ariba’s holistic approach to business payments, consolidating multiple payment options onto one platform. In the first phase, buyers can pay suppliers with a prepaid-funded virtualized single use token card from Discover. Suppliers to be paid in this fashion must accept the Discover card for payment, but no supplier enablement is involved.
Q: How secure is the card settlement option with SAP Ariba?
A: This payment option is more secure than paper checks. Suppliers choosing to be paid via this card settlement option will receive two secured emails. The first email will contain the virtual credit card number and payment remittance information containing the buyer’s name, payment amount, and also the invoices that are being paid. The second email will contain the PIN and URL information on how to settle the payment transaction.

Q: Where can I make payments with the payment capability of SAP Ariba?
A: You can make payments today in the U.S., Canada, Germany, and the U.K.

SECTION 2: DELIVERY

Q: How long does it take to set up a payment capability program with SAP Ariba?
A: On average, it takes 4-6 weeks. Set up depends upon the responsiveness of buyers and suppliers in providing the necessary documentation, obtaining approvals (including all internal, legal, and regulatory), and completing the required testing. Organizations that are on top of all this can complete set up in a week or less.

Q: What kind of training is available?
A: We provide a variety of training tools and guidance including webinars, recorded tutorials, live demos, case studies, and a payment user guide. Before the payment capability goes live, an SAP Ariba payment expert will work with you to ensure you know how to use the solution. As part of our training, we make sure your team members understand our payment capabilities, and we can work with your team to develop a holistic payment program that meets the needs of all your suppliers.

Q: Who is responsible for customer service and support?
A: Full customer service and support for your payment program is available from SAP Ariba and our payment network partners to help resolve any issue relating to the management, processing, or transmission of payments. For assistance with ACH payments, the SAP Ariba help desk can provide first-line support, and involve our payment network partner if necessary. For paper check or card payments, you would call the partner managing those payments for support.
Q: What payment currencies do you support?
A: Today, the payment capability supports payments in U.S. and Canadian dollars, the euro, and pound sterling (GBP), for in-country transactions in the U.S., Canada, Germany, and the United Kingdom.

SECTION 3: Buyers

Q: What are the benefits of paying suppliers via SAP Ariba as a buyer?
A: Our payment capability is a fully integrated, cloud-based solution within Ariba Network that allows buyers to pay for goods and services. It provides a direct, automated link from purchase order to invoice, payment and settlement, therefore reducing reconciliation inquiries and conflicts.

Other benefits include:
Integrated, one-stop buying and paying
Elimination of paper checks
Fewer supplier payment inquiries
Better bank account management
Lower processing costs

Q: Do I need to change my bank account or banking relationships to make payments with SAP Ariba?
A: No. You continue to use your existing bank to make disbursements. SAP Ariba is not a bank and does not seek to replace trusted banking relationships.

Q: Will I need to manage seller bank accounts if I use this payment capability?
A: No. Buyers who deploy our payment capability will rely on our business partner’s integration into Ariba Network to effectively outsource bank account management. Suppliers will maintain bank account details in the partner’s network infrastructure, and any changes in bank accounts will be managed there as well.

Q: What are the best practices recommended to maximize the value of making payments via SAP Ariba?
A: As a best practice, the objective is to move as many suppliers off paper checks to electronic payment or virtual card. How you proceed depends upon how far along you are in that process, and the type of suppliers you do business with.

SAP Ariba payment experts can help you segment suppliers by payment type. In addition, we and our settlement partners can also assist with supplier onboarding for electronic payments, as well as help define and implement a check-to-electronic payment program.
SECTION 4: SUPPLIERS

Q: What are the benefits of using this payment capability as a supplier? Why should I enroll?

A: Our payment capability provides suppliers with full visibility into customer payments, from beginning-to-end. This includes visibility into scheduled payment timing; track-and-trace capabilities to see where the payment is in the system after it has been initiated; and rich remittance to eliminate guesswork in reconciling payments.

With the ability to know in advance when your customer has scheduled a payment, track-and-trace visibility into the payment once executed, and the rich remittance necessary to quickly apply payments, you can expect better cash flow forecasting ability and fewer errors with the accounting transactions.

Here’s an overview of benefits you can expect from our payment capability:

- Better reconciliation
- Real-time payment track and trace
- Faster exception identification and resolution
- Improved cash management and reporting

Q: What is “rich remittance” and how will it help my reconciliation of payments received?

A: A major problem with B2B payments today is that much of the remittance information associated with payments is either disconnected, expensive to receive, difficult to consume, or incomplete due to the format limitations (e.g., the 94 characters-per-line NACHA format in the U.S. or 140-character limit for SEPA in the European Union). These factors contribute to making many payments either expensive, difficult, or simply impossible to reconcile without manual follow-up and even write-offs.

With the payment capability from SAP Ariba, however, all the historical information associated with the payment will be made available to and consumable by the receiver of that payment. In addition to full invoice information, this includes any related PO and contract information that can be accessed over Ariba Network. Suppliers can access all this information to automatically reconcile and apply funds.

Q: Do we have to change the way we invoice today?

A: No change is required. The existing process that a supplier performs to invoice a customer remains in place.
Q: As a supplier, how quickly do we get paid?
A: The funds will be electronically transferred to the supplier’s bank account typically within 24 hours of payment file execution.

Q: Do I need to accept p-cards to get paid via electronic payments from SAP Ariba?
A: Only with the card settlement option. Suppliers accepting electronic fund transfers such as ACH in the U.S. or ELV in Germany don’t need to accept p-cards, as the electronic payment capability is not a card product.

Q: Do I need to change my bank account or banking relationships to pay or be paid through SAP Ariba?
A: No, you don’t have to change your bank—or bank account—to be paid through our payment capability. You continue to receive payments to your existing bank account(s) as you always have.

Q: Is the payment capability of SAP Ariba better suited to technically sophisticated suppliers?
A: No. Suppliers receiving payments through SAP Ariba range in size from large enterprise with a sophisticated IT staff to small businesses such as 487 Consulting. Ken Crouse, principal of the consultancy, has no IT staff and values the payment capability for its ability to ensure transparency of payments and predictability of cash flow. “It’s also improved relationships with my customers,” he said. “I no longer have to call customers about payment because I see them coming well in advance.”

SECTION 5: GENERAL FUNCTIONALITY

Q: Does this solution work with our existing systems and software?
A: Yes. The payment capability works with all major enterprise resource planning (ERP), back office, and information management systems.

Q: Do we need to deploy on-premise software or equipment?
A: No. The payment capability is delivered in the cloud and requires no software installation. You simply approve which suppliers you want to include in the program, and configure your ERP system to direct payments to these suppliers with our payment capability.
Q: How secure is electronic payment with SAP Ariba?

A: Extremely secure, with security provided in several ways. It starts with the storage and management of sensitive bank information. Our payment network partners handle all of this, giving you the benefit of their expertise and core competency in maintaining sensitive data, so you can be confident that all your payment data will be secure.

Second is the security involved with the actual processing of the payments. Using tokenization best practices, our electronic payment solution creates a proxy number or SAP Ariba payment merchant ID (APMID) to stand in for sensitive payment information. Even if an unauthorized party were to obtain this ID, the information captured would be useless to them, as the payment merchant ID by itself means nothing. It is only after the ID has been received by the payment processor that it is matched to bank account information for settlement.

Because the bank information is not contained in the ERP or in Ariba Network, sensitive information is completely quarantined. This eliminates the risk of any nefarious activities from employees within either buyer or supplier organizations.

Q: How do payments from SAP Ariba link with e-invoicing?

A: Designed as an integral part of Ariba Network, the payment capability with SAP Ariba works seamlessly with electronic invoicing over Ariba Network, as well as with other e-invoicing solutions. It's a strong complement to invoice management solutions that dramatically reduce the time it takes to approve invoices for payment.