

SAP Solution Brief

SAP Ariba Payables | Payment Capability

Revolutionize B2B Payments to Increase Certainty, Simplicity, and Security





Remove the bottlenecks from business payments

The SAP® Ariba® Payables solution combines next-generation e-payment capabilities with the ability to manage multiple electronic, purchasing card (p-card), and virtual card (v-card) payment options from one platform and one integration. This simple approach lets you **more easily manage payment processing** while maintaining your card program and profiting from the rebates.

Remove the bottlenecks from business payments

Many suppliers can't easily reconcile electronic payments (e-payments), and their lack of visibility into invoice and payment status means they often call you. Some suppliers may prefer payments by card. Your accounts payable department needs to integrate back-end systems with different e-payment methods and manage supplier bank account information.

The payment capability in SAP Ariba Payables simplifies the process for paying suppliers. It provides a direct automated link from purchase order (PO) to

invoice, payment, and settlement, therefore reducing reconciliation problems and inquiries.

Rather than rely on early stage financial technology (fintech) companies for settlement, our solution integrates with mature payment infrastructure partners, such as Discover and First Data, who are well versed with local settlement compliance laws. Our partners assume the liability of managing sensitive data, helping to ensure the certainty, simplicity, and security of all your payments.



Boost B2B payment certainty

Visibility into invoice and payment status and the timing of payments is typically rare after the invoice is sent. Suppliers often must guess when payments will arrive. And they may receive only high-level remittance data, forcing them to contact your accounts payable team by phone or e-mail to clarify which invoice line item is being settled.

By providing remittance details with each payment and a single flow from invoice to settlement, our payment capability consolidates invoice and payment processing in one system. This gives you a more reliable system for tracking and auditing. And with a self-service portal, your suppliers can see when they will get paid without having to call you.

The payment capability of SAP Ariba Payables merges your physical and financial supply chains. Uniting the strengths of Ariba Network and our partners' secure settlement networks, the payment capability satisfies two key requirements of business-to-business (B2B) payments: timely settlement of funds and the instructions for applying them, enabling straight-through payment processing with no interchange fee.

Boost B2B payment certainty

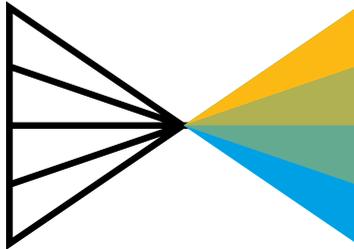
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By linking the B2B messaging capability of Ariba Network with the funds settlement features of our payment infrastructure partners, the payment capability integrates e-payments into a collaborative invoice-to-pay process. This provides track-and-trace visibility into payment status and timing, enhancing your ability to accurately forecast and manage cash flow and liquidity.

The solution also consolidates invoice and payment processing on the same platform. This reduces the chances for errors and payment delays for organizations that use separate systems for processing invoices and payments. The result is a transformative payment process that streamlines the entire payment and reconciliation process for both parties.

Boost B2B payment certainty



Embrace a **business payment process** that your suppliers will support.



Simplify the reconciliation of payments

Our payment capability turns electronic B2B payments into an efficient and collaborative part of the invoice-to-cash process that lowers risks and costs. The solution puts key information from prepayment documentation – such as POs, contracts, and invoices – at your suppliers' fingertips to help them identify the purpose of each payment.

Comprehensive line-level remittance advice accompanies each e-payment, streamlining reconciliation workflows. The solution eliminates error-prone data search and rekeying during the application of funds.

With our e-payment functionality, suppliers gain rich remittance information and no longer struggle to match remittances with payments. And our payment capability delivers richer remittance information than traditional e-payment methods. For example, suppliers can quickly match batched e-payments to multiple invoices, investigate possible cases of short pay, and reduce their days sales outstanding (DSO). The solution improves automatic reconciliation rates and financial reporting while substantially lowering payment-processing costs compared to legacy methods such as p-card or v-card.

With a single connection to Ariba Network and a rich, intuitive user interface, you and your suppliers benefit from supplier self-service, which reduces complexity and expenses across the board.

Simplify the reconciliation of payments

Enhance B2B payment security

Tap the power of our next-generation payment capability



Enhance B2B payment security

Our payment capability takes advantage of proven security frameworks of mature payment networks to keep bank account information and funds settlement secure – reducing financial and reputational risk for both parties.

You no longer manage supplier bank accounts, since each supplier maintains its own sensitive account data directly and adheres to the “four eyes” principle for bank account setup and updates, where two people must approve any changes. You only need to provide a payment file with vendor identification, and the payment capability matches the file to the correct supplier bank account for settlement.

By integrating Ariba Network with established payment networks, you improve the process for verifying the supplier bank account, helping to ensure that the right payment reaches the proper destination. In addition, our solution conducts “Know Your Customer” (KYC) checks daily and regulatory compliance audits, such as those required by the United States Department of the Treasury’s Office of Foreign Asset Control (OFAC). Since our payment capability confirms bank information and ties the payment directly to a previously approved invoice, buyers and suppliers run little risk of payment fraud or misdirected payments.

Simplify the reconciliation of payments

Enhance B2B payment security

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Tap the power of our next-generation payment capability

By offering new potential for trusted payment processing over Ariba Network, our payment capability takes the processing of business payments to a new level.

When the buyer sends a single payment file to Ariba Network, the solution matches the file to the rich remittance data from the network, including details

from prepayment documents, and includes it in a single payment to the supplier. Our payment capability also shifts the liability of sensitive data management to financial organizations that do it best, freeing you from storing and managing supplier bank account information.

Simplify the reconciliation of payments

Enhance B2B payment security

Tap the power of our next-generation payment capability

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The payment capability of the SAP Ariba Payables solution combines flexibility with **trusted payment processing** over Ariba Network.





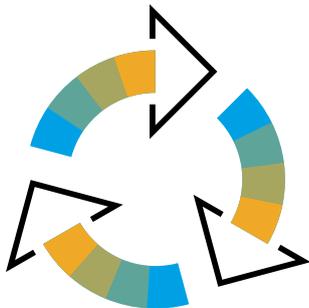
Self-service capabilities and detailed and digestible payment information help your suppliers minimize the need for e-mail and phone clarification. Buyers and suppliers can follow the entire payment process with greater transparency and in real time – from invoice approval and payment scheduling through funds settlement, simplifying account reconciliation.

With this new approach to managing payments, accounts payable and receivable teams can work together to collaborate over the management of payment timing and cash flow. This can include early-payment discount programs or a payment-terms extension program combined with supply chain finance, where suppliers can get low-cost, on-demand financing of their receivables from third-party funders.

Simplify the reconciliation of payments

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With the payment capability of SAP Ariba Payables, you can **simplify business payments** and improve the way you manage your cash and working capital.



Summary

The payment capability of the SAP® Ariba® Payables solution draws on Ariba Network and mature global settlement networks to increase the certainty, simplicity, and security of business-to-business (B2B) payments. Eliminate status inquiries by providing rich remittance detail from prepayment documents, lower risk in capturing and maintaining sensitive bank information, and strengthen relationships with suppliers.

Objectives

- Integrate business payments into the procure-to-pay process
- Provide a single, detailed view of payment status in real time
- Improve payment control and reduce processing costs
- Enhance cash management and forecasting
- Manage multiple electronic payment methods through a single integration

Solution

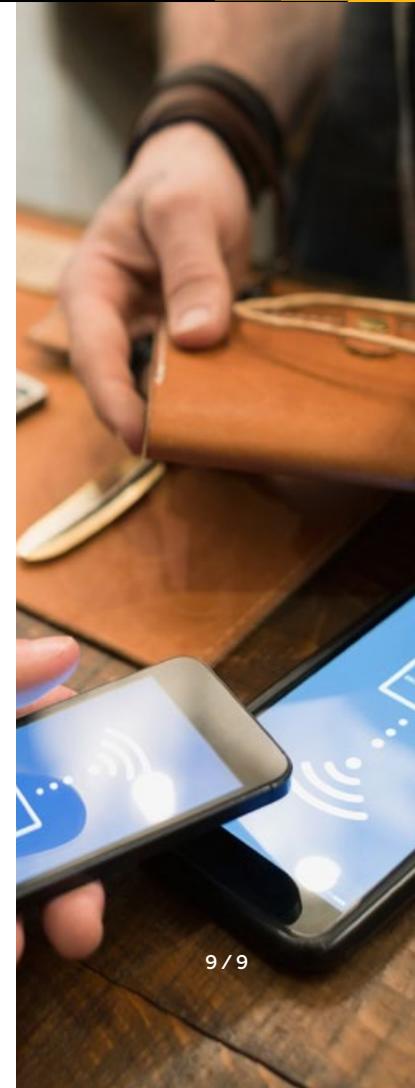
- Collaboration supported by the messaging power of Ariba Network
- Settlement through the secure infrastructure of global payment networks
- Integrated, online delivery of detailed remittance information
- Real-time track-and-trace visibility into the payment process

Benefits

- Lower operational costs associated with B2B payments
- Reduce fraud exposure to minimize financial risk for both parties
- Consolidate purchasing card (p-card), virtual card (v-card), and electronic payments on one platform
- Free up staff to focus on strategic tasks to help your business grow

Learn more

To find out more about our payables solutions, call your SAP representative today or visit us [online](#).



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