

**SAP Solution Brief**

SAP Ariba Payables | Payment Capability for the U.S. and Canada

# Revolutionize Business-to-Business Payments to Increase Certainty, Simplicity, and Security



# Remove the bottlenecks from business payments

More accounts payable organizations are looking for ways to simplify the process for paying their suppliers. Many suppliers can't easily reconcile electronic payments, and some may not even accept them. Some suppliers accept payments by card, while others prefer paper checks. You need to **integrate your back-end systems** with all these payment methods and manage supplier bank account information too.

**Remove the bottlenecks from business payments**

The payment capability for the U.S. and Canada in the SAP® Ariba® Payables solution solves these challenges for you. The solution combines next-generation electronic payment capabilities with the ability to manage electronic, card, and paper check payments from one platform and one integration.

For electronic payments, our payment capability integrates with the Discover Network's payments infrastructure to ensure the certainty, simplicity, and security of all your payments. It delivers detailed remittance information with every payment and

maintains a single flow from invoice to settlement with real-time visibility of payment status. In addition, Discover assumes the liability of sensitive data management.

For those suppliers not accepting electronic payments, our payment capability allows you to manage card and paper check payments from the same platform. With this simple approach, you can more easily manage check printing and mailing services as well as maintain your card program and profit from the rebates.

# Boost B2B payment certainty

Visibility of payment status and timing is traditionally rare after the invoice is sent. Suppliers must often 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.

The payment capability for the U.S. and Canada merges your physical and financial supply chains. Uniting the strengths of Ariba Network and Discover's secure business payment network, the payment capability satisfies two key requirements of business-to-business (B2B) payments – timely settlement of funds and instructions for applying

them, enabling straight-through payment processing with no interchange fee.

By linking the B2B messaging capability of Ariba Network with the funds settlement features of the Discover Network, the payment capability integrates electronic payments into a collaborative invoice-to-pay process. This provides track and trace visibility into payment status and timing, so companies can enhance their ability to accurately forecast and manage cash flow. The result is a transformative payment process that boosts the certainty and security of cash flow and streamlines the entire payment and reconciliation process for both parties.

## Boost B2B payment certainty

Simplify the reconciliation of payments

Enhance B2B payment security



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 at the suppliers' fingertips to help them identify the purpose of each payment.

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

With our electronic payment functionality, suppliers no longer need to wait for paper remittances or seek answers through phone or e-mail inquiries when

checks are late or arrive unexpectedly. And the payment capability delivers far richer remittance information than other electronic payment methods.

Suppliers can quickly match batched electronic payments to multiple invoices, investigate possible cases of short pay, and reduce their days sales outstanding (DSO). The solution improves auto-reconciliation rates and financial reporting while substantially lowering payment processing costs compared to legacy methods such as paper check or p-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.

Boost B2B payment certainty

**Simplify the reconciliation of payments**

Enhance B2B payment security

# Enhance B2B payment security

The payment capability for the U.S. and Canada takes advantage of the Discover Network's proven security framework 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 right supplier bank account for settlement.

By integrating Ariba Network with the Discover Network, you have an improved process for verifying the supplier bank account, ensuring that the right payment reaches the proper destination. In addition, the solution conducts "know your customer" checks daily and regulatory compliance audits such as those required by the Office of Foreign Assets 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 and misdirected payments.

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# Tap the power of a next-generation payment capability

By offering new potential for trusted payment processing over Ariba Network, the payment capability for the U.S. and Canada 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 such as invoices, purchase orders, and contracts – and includes it in a single payment to the supplier. Our payment capability also shifts the liability of sensitive data management to financial organizations who do it best, freeing you from supplier bank account storage and management.

Self-service capabilities and detailed and digestible payment information help 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 payment timing and cash flow management. 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.

For suppliers not ready to accept an electronic payment, the payment capability provides the option for suppliers to get paid via card settlement or paper check. With this flexibility for paying your suppliers on one platform, you can further simplify the payment process to support your supply chain.

**Tap the power of a next-generation payment capability**

## Summary

The payment capability for the U.S. and Canada in SAP® Ariba® Payables combines the strengths of Ariba Network and the secure business payment network from Discover. You can eliminate status inquiries by providing rich remittance detail from prepayment documents, lower risk in capturing and maintaining sensitive bank information, and gain flexible payment options from one platform.

## 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
- Minimize the risk of error and fraud
- Enhance cash management and forecasting
- Manage multiple payment methods through a single integration

## Solution

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

## Benefits

- Lower operational costs associated with business-to-business payments
- Reduce fraud exposure to minimize financial risk for both parties
- Consolidate card, paper check, 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, call your SAP representative today or visit our [payables solutions site](#).



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