Maximize Spend Visibility and Turn Data into Actionable Intelligence
Good Spend Management Begins with Good Spend Visibility

Improving sourcing efficiency, reducing risk, and unlocking new savings opportunities necessitate spend visibility and insights into suppliers. But achieving this requires centralized data and embedded intelligence that’s powered by machine learning–based data classification and enrichment, market intelligence, and analytics, as well as resources to enrich this information. Are you ready?

When spend data is poorly categorized and originates from disparate purchasing and payables systems, it limits spend visibility and makes it difficult to turn data into insights used to optimize spending. Visibility can be further complicated by data consolidation challenges, lack of supplier information, and limited access to market data.

The SAP® Ariba® Spend Analysis solution helps organizations make trusted and confident spend decisions by delivering 360-degree visibility of enterprise-wide procurement data. It goes beyond data aggregation and visualization by enabling accurate spend classification, supplier information enrichment using the world’s largest supplier database, and market data integration. Once deployed, it helps you understand how much you are spending, what commodities you are buying and from which suppliers, and more. With these insights, you can identify savings opportunities, improve purchasing leverage, increase spend under management, drive sustainability and diversity initiatives, and mitigate risk.
Classify Commodity Spend

SAP Ariba Spend Analysis gives you an in-depth, hierarchical view of all commodities spending by classifying your spend data using a blend of industry standards and custom taxonomies. Using machine learning–based algorithms, supplier intelligence and custom mapping, and rules engines, it provides up to six levels of commodity classification that help you discover category insights hidden within your unstructured spend data.

In the initial deployment, neural network models – trained using customer data and experience with SAP Ariba solutions – are used to classify spend categories. During subsequent refreshes, proprietary, customer-specific classification models are deployed using your organization’s own spend history. You gain a deeper understanding of customer purchases – understanding that improves based on customer feedback.

Embedded machine learning analyzes multiple fields from enterprise source data to derive classification suggestions. Results are automatically validated and reviewed based on the assigned confidence scores. Quality assurance (QA) reviews are performed automatically and by teams to ensure coverage, accuracy, and adherence with service-level agreements. The solution also captures online customer feedback and uses it to continuously improve analytic results.

Classify Commodity Spend

- Enrich Supplier Data Using Dun & Bradstreet Information
- Harness World-Class Expertise Through Services
- Unlock Hidden Insights with Fast, Powerful Analytics
Leveraging these advanced technologies, you can be confident that spend across your organization is consistently and optimally classified over time and across sources. And once classified, you can use this data to:

- Discover maverick spending, including off-contract, non-purchase-order-based spending across categories and business units
- Analyze price variances, savings leakages, and sourcing impact to build a stronger sourcing pipeline
- Identify category consolidation opportunities by eliminating purchase overlaps and low-value, high-volume transactions across your organization
- Improve purchasing efficiencies and costs by identifying invoice, purchase order, and supplier optimization opportunities

Centralize all spend data and **classify spend like never before** – and know exactly where your money is going, all the time.

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Enrich Supplier Data Using Dun & Bradstreet Information

SAP Ariba Spend Analysis offers ready supplier information enrichment using data from Dun & Bradstreet (D&B). Their database, which covers more than 320 million businesses worldwide, enriches your supplier data with industry codes, hierarchical information, business financials, diversity and sustainability information, and more.* Because D&B’s data enrichment is offered as a unified service in SAP Ariba Spend Analysis, it requires no effort on your part to integrate and map it to your supplier data.

The result is a consolidated, standardized, and more complete view of your suppliers, which helps you meet goals such as minimizing risk and reducing supplier management costs. In addition, unified supplier enrichment helps you answer questions such as:

- Who are our suppliers?
- How much are we spending with them?
- How diverse is our supply base?
- Where do supplier linkages exist, so I can increase my spend leverage?
- Are our suppliers green certified?

Using the insights gained, you can:

- Identify supplier duplication and parentage to discover hidden opportunities for cost savings
- Find sourcing opportunities within existing relationships
- Track supplier diversity and sustainability initiatives

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* Availability of D&B data depends on the country in which your business is located.
Harness World-Class Expertise Through Services

Integrated services come standard with your subscription to maximize the value of SAP Ariba Spend Analysis. SAP Ariba Spend Analysis deployment experts help you accelerate adoption and ease the transition by delivering:

- **Centralized site management services** such as user and data management
- **Application support** covering product functionality
- **Project management support**, including a named deployment lead for the life of the subscription; guidance on data collection and mapping, data validation, training, and report and dashboard creation; and ongoing support for data refreshes
- **Adoption support** to help you define a long-term adoption plan and create custom usage reports, dashboards, and use cases

- **Strategic guidance** through a best-practice project such as integrating a compound report for a 360-degree view of suppliers and commodities, performing advanced reporting or jump-start analysis, creating a custom taxonomy, and providing strategic category guidance

Add-on services are also available, including:

- **Premium deployment services** available through on-site support services encompassing project kickoff, data collection and validation, data enrichment, enrichment refinement, and training services before going live
- **Data transformation services**, where SAP experts map customer data to your SAP Ariba solution layout

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Unlock Hidden Insights with Fast, Powerful Analytics
Unlock **Hidden Insights** with Fast, Powerful Analytics

Because SAP Ariba Spend Analysis runs on the SAP HANA® platform, you get blazingly fast analysis of your spend data. Run complex, user-defined analytics with no time-outs and no limitations on data size, and configure the dashboard for a 360-degree view of all spend activity. The solution offers custom spend analytics functions, configurable, role-based dashboards, and more than 80 prepackaged reports and opportunity searches across commodity, supplier, and organization categories.

As a result, you can gain deeper insights that help you:
- Identify quick-hit opportunities that can yield faster savings with existing contracts and processes
- Build a stronger sourcing pipeline by developing opportunity lists
- Improve compliance adherence by monitoring all global spend activities

You also can leverage these insights to answer questions such as:
- How much am I spending with suppliers at all levels – right up to the corporate-family level?
- What are my top spend categories?
- What are my best opportunities for future savings?
- How diverse is my supply base? And how can I locate more-diverse suppliers?
- Is my off-contract spend increasing or decreasing? By how much?
- Where should we rationalize our supplier and product portfolio?

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Realize the Benefits

Spending clarity and better decision-making begin with quality data, analysis, and the confidence to ask the right questions. With SAP Ariba Spend Analysis, you get accurate answers to your questions, leveraging comprehensive spend visibility and data analysis, enrichment of your data with D&B information, and machine learning–based data classification and enrichment. The result is a tightly integrated software-and-service solution that helps you:

- Maximize sourcing savings by increasing spend under management
- Improve the sourcing pipeline
- Reduce the cost of procurement by optimizing your supplier base and categories and gaining visibility into price indexes and discount leakages
- Increase contract compliance by improving adherence to negotiated contracts and reducing off-contract spending
- Increase working capital leverage by optimizing days payable outstanding and gaining visibility into supplier payment terms
- Strengthen corporate social responsibility by incorporating comprehensive information on supplier diversity and sustainability status

Make **faster, more informed decisions** based on unparalleled spend visibility, accurate, enriched data, and machine learning–enabled analytics.
Summary
The SAP® Ariba® Spend Analysis solution helps organizations make trusted and confident spend decisions by delivering 360-degree visibility of enterprise-wide procurement data. By bringing together machine learning (ML)–based data classification and enrichment, market intelligence, analytics, and services, SAP Ariba Spend Analysis provides in-depth visibility of spend data across all source systems.

Objectives
• Identify savings opportunities
• Prioritize top spend categories
• Improve negotiation leverage

Solution
• Enriched supplier data using service from Dun & Bradstreet
• Spend data classification and insights using industry standards and custom taxonomies
• Built-in ML functionality for fast supplier enrichment and commodity classification
• Rapid analysis of spend data with the SAP HANA® platform
• Identification of savings beyond “quick hits”

Benefits
• Maximize sourcing savings by increasing spend under management
• Optimize sourcing pipelines
• Reduce the cost of procurement
• Increase contract compliance
• Boost working capital
• Strengthen corporate social responsibility

Learn more
To find out more, call your SAP representative today or visit us online.