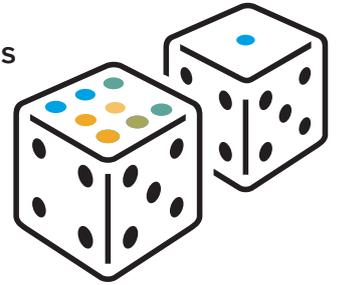# Mitigate the Impacts of European Regulations
with SAP® Ariba® Solutions

Stricter European regulations for business-to-business (B2B) transactions that are combating late payments and limiting payment terms can impact your cash, cost, and risk. To adapt to the challenges that will arise, you will need to improve your strategies, technologies, people, and processes.

Risks

- Irrevocable damage to reputation, if legal actions are taken
- Enforcement of interest charges for late payments and payment term standards
- The possibility of suppliers opening a new contract if payment terms are longer than the new standard
- Difficulty in contesting legal disputes if purchase orders are not linked to payments and all touch points in between

Regulation drivers can threaten your business

62% of all European B2B payments that are late[1]

€596B of annual cash flow at risk due to the mandated reduction in days payable outstanding[2]

37% of invoices received electronically, on average[3]

€3.4B of annual cost at risk due to late-payment penalties[4]

9% of organizations that improve proactively through real-time visibility into supplier performance and related risks[5]

8% in minimum interest charged as a late-payment penalty[6]

16 as the average number of days needed to approve invoices, more than 2x longer than top performers[7]

1. "Payment Study 2016," CRIBIS D&B, July 2016.
2., 4. Source data for analysis from S&P Capital IQ.
3., 5. SAP Performance Benchmarking.
6. "Late Payment Directive," European Union, available at http://ec.europa.eu/growth/smes/support/late-payment_en.
7. SAP Ariba Benchmark Program 2015–2016.

SAP® Ariba® Solutions in Action

Designed for the modern business, SAP Ariba solutions create simple, intelligent exchanges between millions of buyers and sellers worldwide.
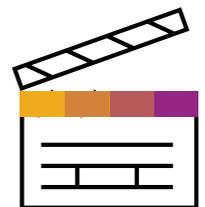
2.5M companies connected on Ariba Network

>76K invoices processed annually per full-time equivalent

>US$1T commerce transactions processed annually

~80% shorter invoice-processing cycles

>98% rate of touchless invoice processing

190 countries where transactions flow through Ariba Network

By combining Ariba Network with source-to-settle SAP Ariba solutions, you can support European regulations by processing invoices electronically. You can also enforce compliance with contracts and purchase orders, improve on-time payment performance, capture early-payment discounts, strengthen supplier relationships, and grow your business.

To learn more, visit ari.ba/timelypayments.

SAP Ariba

SAP — Run Simple