

Success Planning Investment

The intensity of the success planning process varies with the complexity of your organization and the solutions under consideration. This will range from a data collection and diagnostic effort to a more in-depth process including a two-day on-site workshop. For larger-scale initiatives, you will need participation from your organization's business and IT subject matter experts to do the following:

- Complete qualitative questionnaire
- Provide a pay file of your organization's spend data
- Prepare for and participate in an on-site workshop
- Co-develop executive-ready presentation and obtain stakeholder buy-in

Success Planning Overview

SAP® Ariba® solutions have helped thousands of companies make collaborative commerce work better, because with SAP Ariba solutions, you get much more than just technology – you get business results. With our unique methodology, we help you not only drive rapid enablement, but full value realization and sustainable results. This begins with our success planning process, which is designed to provide a clearer vision of your desired end state, along with a higher degree of confidence and understanding around what needs to happen to get there.

Our practitioners will partner with you to build a program that is personalized for your business and is focused on your desired business outcomes. Specific activities will depend on the opportunity and may include the following:

- Perform an assessment of your spend data
- Conduct a current state assessment and determine best-in-class maturity
- Identify and prioritize opportunities and program goals
- Articulate your future state vision
- Formulate the set of solutions and related activities to realize your desired business outcomes
- Determine the team and resourcing required to support the program
- Build a comprehensive cost-benefit analysis that will justify the investment
- Develop the road map to support the program
- Create an executive-ready business case presentation

Success Planning Methodology

We will lead you through the success planning effort. We will partner with you to gather your company's data and better understand your organization. We will run your data through our diagnostic model to estimate the benefits your company can expect to realize, based on our benchmarks and third-party analyst benchmarks, and package these results in a business case format. Our team is comprised of practitioners and experienced SAP Ariba solutions experts who can speak from personal experience to determine the right solution and help you understand what it will take to be successful.

Success Planning Deliverables

The resulting deliverables from the success planning effort will be reflective of your business and prescriptive of the program required to position your business for maximum success and realization of expected benefits.

Here is a sampling of the type of deliverables that you can expect from the success planning effort.

Current State Assessment

We will perform an assessment of the opportunity, which includes a quantitative-based diagnostic coupled with stakeholder interviews. The deliverables from this assessment will summarize both the quantitative and qualitative analyses performed. Additionally, they will highlight the areas for performance improvement based on best practices.

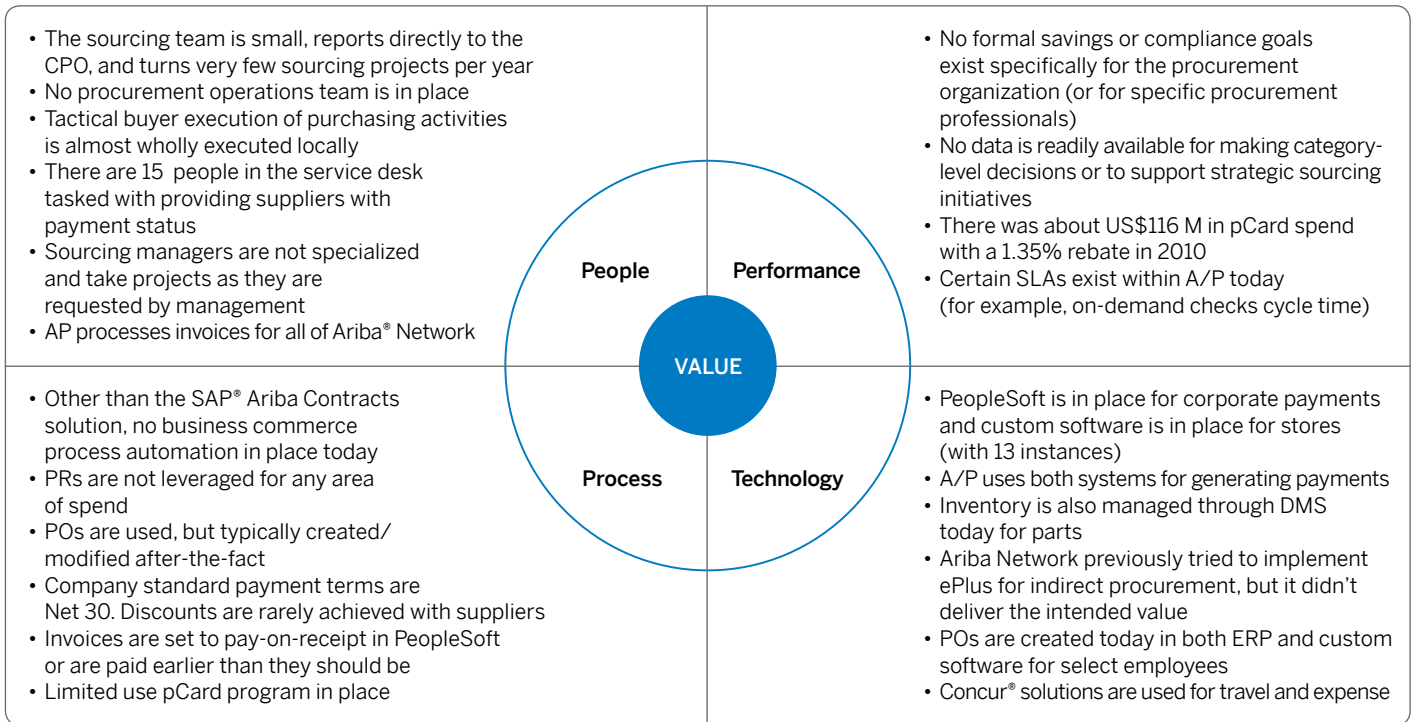


Figure 1: Example Current Landscape Summary

100 suppliers make up 80% of spend (≥US\$1.1 M); 157 suppliers make up 80% of invoices (≥35 invoices)

	Pay File: Comprehensive	Pay File: <90 Days To Pay
Data Set Characteristics*	Pay Date Range: 1/1/10–12/31/10 • ~\$1 B in spend • ~50,000 invoices • ~2,500 suppliers	Pay Date Range: 1/1/10–12/31/10 • ~\$888 M (88% of total spend) • ~45,000 invoices (89% of total invoices) • ~2,300 suppliers
Average Days to Pay (weighted by invoices)	40	28
Average Days to Pay (weighted by spend)	38	23
Payment Timeliness	• ~\$120 M in spend early/on-time (12% of total spend) • ~5,000 invoices early/on-time (10% of total invoices) • 250 suppliers paid early/on-time	• ~\$120 M in spend early/on-time (13% of total spend) • ~7,100 early/on-time (13% of total invoices) • 285 suppliers paid early/on-time

*credits were removed from the file; data appears to have employee expense reports included

Figure 2: Example Performance Analysis

Cost and Benefit Analysis

Based on the set of solutions required to act upon opportunities identified to realize your desired business outcomes, we will partner with you to build a detailed cost-benefit analysis that will justify your investment in the program.

Value Lever (US\$ M)	Year 1	Year 2	Year 3	Year 4	Year 5	Project Metric	Value
Cost Reduction	\$ 1.95	\$ 13.43	\$ 25.80	\$ 38.17	\$ 50.55	3 Year ROI	836%
Spend Compliance	\$ 0.75	\$ 8.74	\$ 18.18	\$ 27.61	\$ 37.04	5 Year ROI	1075%
Process Improvement	\$ 1.25	\$ 14.46	\$ 30.06	\$ 45.66	\$ 61.26	Month to Break Even	12
Error Reduction	\$ 0.69	\$ 7.99	\$ 16.62	\$ 25.24	\$ 33.86		
Cash Management	\$ 0.13	\$ 1.46	\$ 3.04	\$ 4.61	\$ 6.19		
TOTAL BENEFIT	\$ 4.76	\$ 46.08	\$ 93.69	\$ 141.30	\$ 188.90		
Total Software Investment	\$ 0.66	\$ 1.16	\$ 1.34	\$ 1.34	\$ 1.34		
Total Services Investment	\$ 1.64	\$ 0	\$ 0	\$ 0	\$ 0		
Total 3rd Party Investment	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95		
Total Customer Internal Investment	\$ 0.89	\$ 0.74	\$ 0.74	\$ 0.74	\$ 0.74		
TOTAL EST. INVESTMENT	\$ 4.14	\$ 2.85	\$ 3.03	\$ 3.03	\$ 3.03		
NET BENEFIT	\$ 0.62	\$ 43.24	\$ 90.66	\$ 138.27	\$ 185.87		

Figure 3: Example Overall Program Cost and Benefit Analysis

Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Comment
Solution fees	400	480	600	600	600	2,680	Subscription fee – SAP® Ariba® solutions include the future state design for a shared service procurement and A/P function (org, processes, tech), as well as waves one and two enablement, and wave one optimization.
Professional services fees	1,200	80	80	80	80	1,520	The costs for P2P shared services are the assumed internal resource costs for deployment and steady state support from the client for the P2P program.
Internal support for program	800	650	650	650	650	3,400	Included in solution fees
Maintenance fees	–	–	–	–	–	–	Included in solution fees
Hardware expenses	–	–	–	–	–	–	Included in solution fees
Disaster recovery	–	–	–	–	–	–	Included in solution fees
Internal IT staffing costs	–	–	–	–	–	–	Included “internal support for program” fees
Change management	–	–	–	–	–	–	Included in program fees
Training	–	–	–	–	–	–	Included in program fees
Application management	–	–	–	–	–	–	Included in solution fees
Network connectivity fees	–	–	–	–	–	–	Included in solution fees
Network adapter fee	–	–	–	–	–	–	Included in solution fees
Supplier portal creation/maintenance	–	–	–	–	–	–	Included in solution fees
Supplier enablement costs	–	–	–	–	–	–	Included in program fees
Internal support for enablement	–	–	–	–	–	–	Included in “internal support for program” fees
Supplier help desk support team	–	–	–	–	–	–	Included in solution fees
Internal help desk support team	–	–	–	–	–	–	Included in “internal support for program” fees
Catalog enablement and refreshes	–	–	–	–	–	–	Included in solution fees
Upgrade implementation	–	–	–	–	–	–	Included in solution fees
Total Cost of Ownership (TCO)	2,400	1,210	1,330	1,330	1,330	7,600	

Figure 4: Example Total Cost of Ownership

Success Plan

As the culmination of the success planning effort, your success plan is the package of deliverables that outline the program along with the path to get to your desired end state.

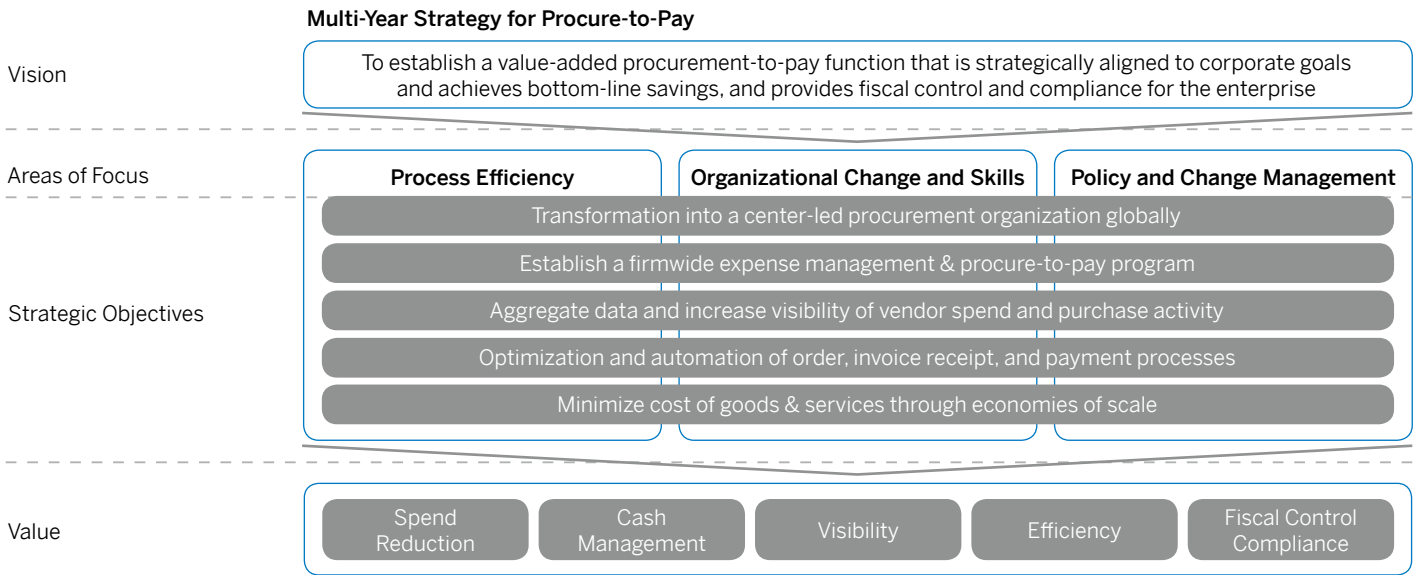


Figure 5: Example Multi-Year Strategy

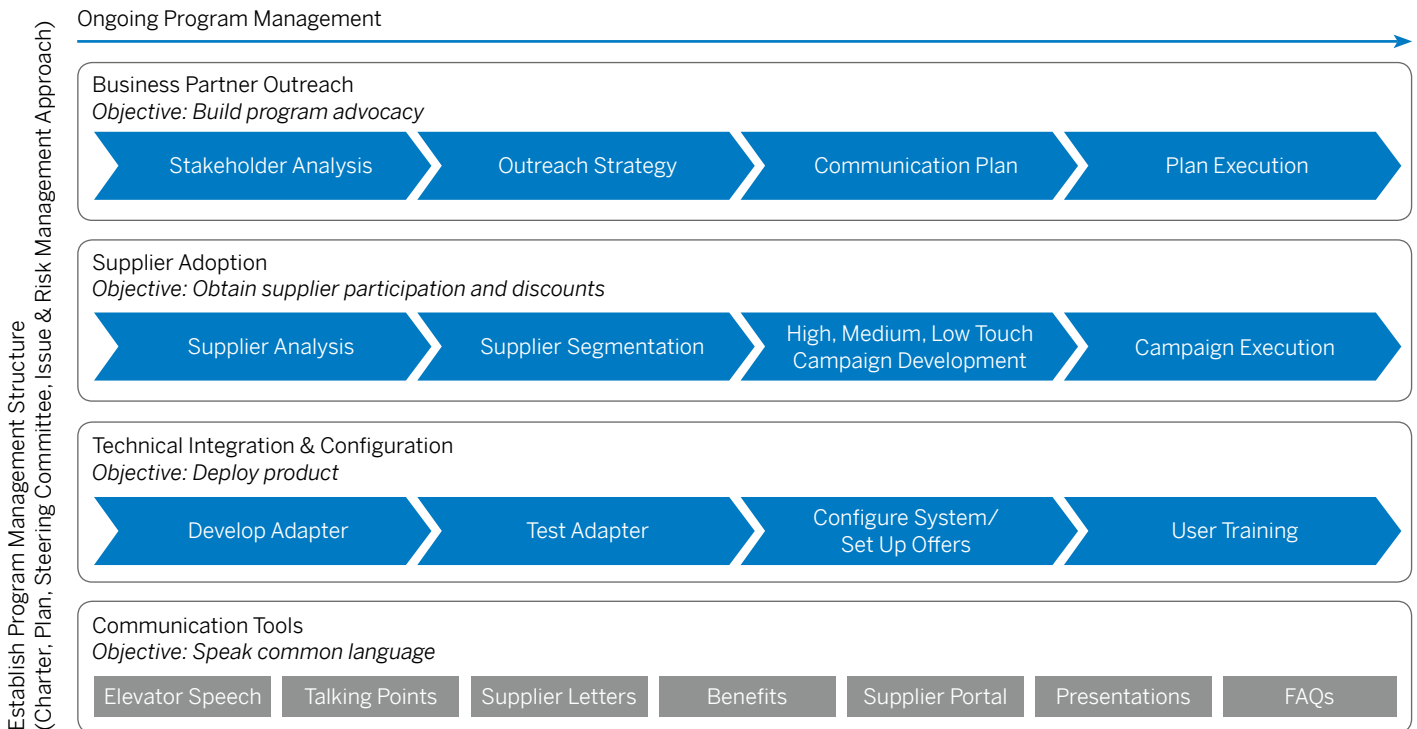


Figure 6: Example Program Details

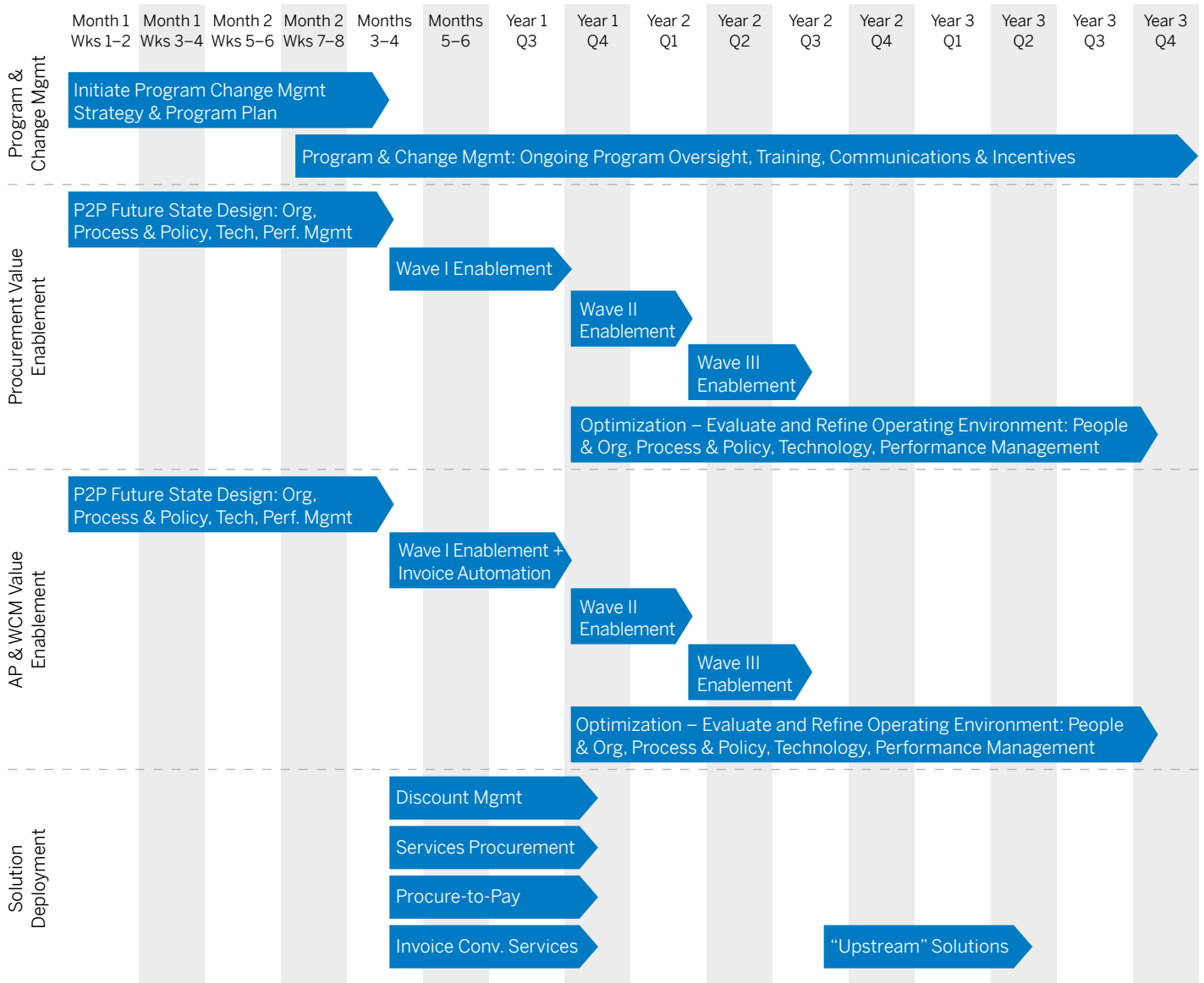


Figure 7: Example Program Road Map

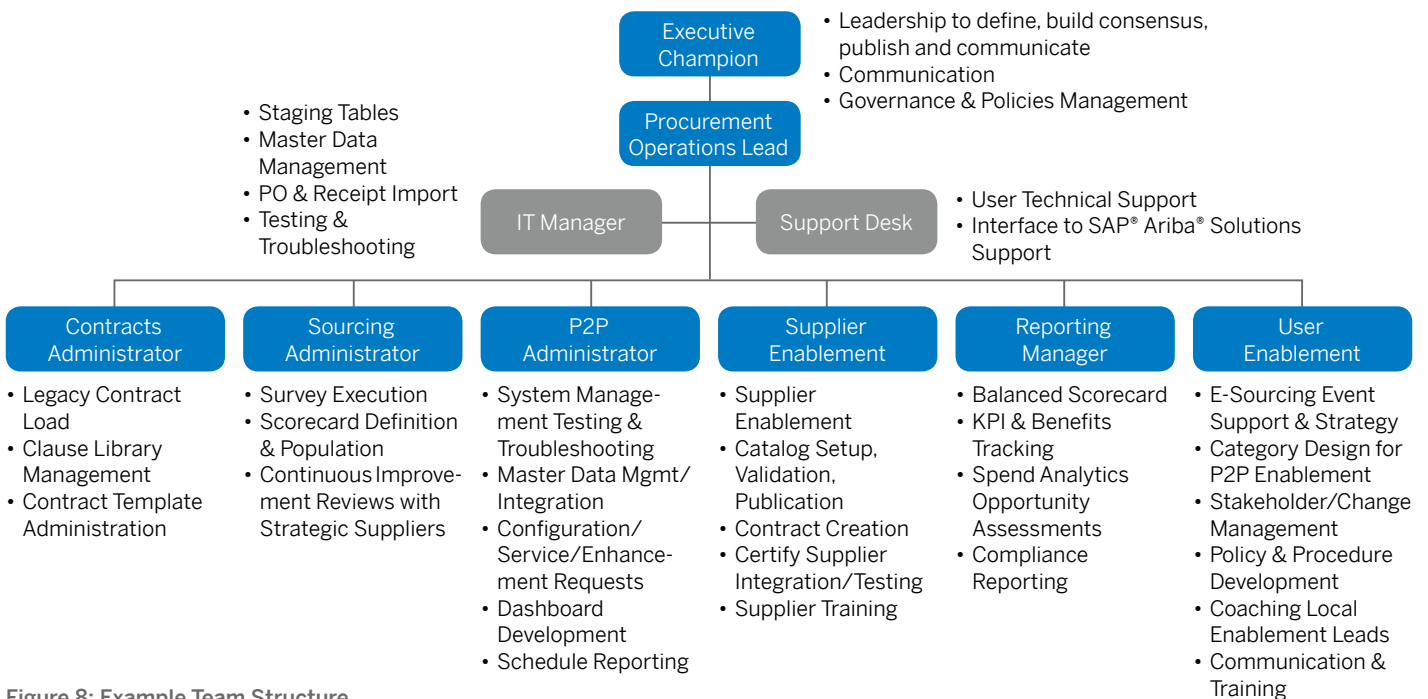


Figure 8: Example Team Structure

About SAP® Ariba® Solutions

SAP® Ariba® solutions support the marketplace for modern business, creating frictionless exchanges between millions of buyers and suppliers across the entire source-to-pay process. Our market-leading solutions enable companies to simplify collaboration with their trading partners, make smarter business decisions, and extend their collaborative business processes with an open technology platform. More than two million companies use SAP Ariba solutions to connect and collaborate around nearly US\$1 trillion in commerce on an annual basis. To learn more about SAP Ariba solutions and the transformation they are driving, visit www.ariba.com.

About Our Business Commerce Enablement Services

After many years of helping thousands of companies achieve better, more collaborative commerce, we are uniquely positioned to help you do the same. First, we'll help you quickly identify, enable, and realize value through a custom-tailored business commerce program – prescribed by our domain expertise, world-class analytics, and considerable insight into what buyers and sellers need to facilitate collaboration. Then, working closely with your stakeholders, we'll provide best-practice guidance on integrating your business processes and optimizing your trading partner relationships, driving toward full utilization and adoption of your solution.

In short, you get more than technology from SAP Ariba solutions, you get business results.

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