How 21st century Purchasing- and Finance organizations leverage Business Networks for automation and business collaboration

Frank Bade, SAP SE
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2.5 Billion connected people on social networks

75 Billion connected devices

$65 Trillion global business trade

2020
74% of global transactions are managed by SAP Systems.
Often they are locked within the enterprise.
77% of all invoices are still paper based

20% of all invoices contain errors

50% of all pre-negotiated rebates expire
Real-time collaboration of businesses
Cloud-based open network
connect any backend-system
Automate Collaboration with Suppliers

1. Open
   Any Vendors
   Any System
   Any Protocols

2. Comprehensive
   All Suppliers, All Collaborative business processes, All geographies

3. Intelligent
   Automated, Contextual, Real-time, Big Data driven

YOUR COMPANY

THE Ariba NETWORK

BUY
SELL
MANAGE CASH

YOUR SYSTEMS

YOUR TRADING PARTNERS
Size and scale of the world’s largest business network

1.8+ million Companies

108+ million Documents annually (PO + Invoices)

165+ million Catalog items

EVERY 1 minute

a company joins the network

$600 billion

In annual commerce

11+ million

Timesheets processed annually

1.4 million

Contingent worker job placements annually

17 million

Leads annually sent to sellers

16.4 million

Users
Applications for all spend categories

- Indirect & MRO & Direct Material
- Travel & Expenses
- External Workforce & Services Procurement

Integration to SAP- and non-SAP-systems
A typical business transaction...

SUPPLIER

Create Sales order

Send Goods & Invoice

Receive Payment

Receive Invoice

Verify Goods Receipt

Reconcile and Approve Invoice

Payment proposal

Send payment

I wonder when we’ll be paid?

Do we have enough cash for next month?

Which invoices does this payment clear?

It’s month end – we have to get this done!

Lots of paper to be scanned..

I did a PO – why do I have to do another approval?

Stop calling me – I’ll pay when we get the approval!

We have cash on hand – should I pay early?

BUYER

Create Purchase Order

Verify Goods Receipt

Reconcile and Approve Invoice

Payment proposal

Send payment

I wonder when we’ll be paid?

Do we have enough cash for next month?

Which invoices does this payment clear?

It’s month end – we have to get this done!

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I did a PO – why do I have to do another approval?

Stop calling me – I’ll pay when we get the approval!

We have cash on hand – should I pay early?
Faster processing, more transparency and significantly less cost

Business benefits
• Faster close due to automated reconciliations
• Lower error rate from manual reconciliations
• Lower manual process cost
• Improved liquidity planning and working capital management
Configurable business rules driving up to 98% auto-match

Benefits:
- Touchless processing
- Faster cycle times
- Less exceptions
- Lower risk

Ariba Network

FI/AP

Connected Suppliers
+ Portal Suppliers

Supplier Name/ID
Bill To / Ship To
PO Number required?
Non-PO Inv allowed?
Invoice No.
VAT/ Tax ID

Subtotal Amount
Total Amount
Consumption Variance
Receipt
Remit Access
PO Line Reference
Unit of Measure
Price Variance
Currency

PO Line & Header Tax
Tax Code
Compliance
Contract Compliance
Supplier Name/ID
Bill To / Ship To
PO Number required?
Non-PO Inv allowed?
Invoice No.
VAT/ Tax ID

Consumption Variance
Receipt

Invoice
Invoice
Exception
Invoice
Invoice
Exception
Invoice
Invoice
Exception
Invoice
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Exception
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Invoice
Exception
Invoice
Invoice
Exception
Collaborate with existing and new suppliers on the Ariba Network

Exchange purchase orders and invoices electronically

Reduces invoice processing costs, with potential cost reductions of 70% or more
Thinking Differently About Payables & Discounts

1. Automate to minimize missed discounts
2. Pro-rate discount to cover remaining missed opportunities
3. Ad Hoc captures “as needed” acceleration for net term suppliers

Business benefits:
- Compress cycle time
- Maximize discount window
- Control programs and discount rates
- Earn higher returns on short term cash

Day 10
Day 30
Strengthen the relationship with your suppliers
Supplier Enablement

With more than 400 people in 9 locations around the globe, Ariba supports supplier onboarding and enablement.

CUSTOMER BENEFITS
- Regional supplier enablement teams that speak regional languages
- Mutually agreed on-boarding wave planning (prioritized)
- Business and technical specialists working with suppliers
- Customer Engagement Executive works with Buyer’s team during the entire lifecycle
- 24x7 support across the globe
Aligned with your Finance Strategy
Maintain global regulatory compliance and controls of accounting and tax standards, across currencies, languages and industries.

Engage with the business to jointly drive value, based on real-time analysis of financial and operational business scenarios.

Optimize finance processes for efficient and collaborative relationships with customers, suppliers, banks, and government authorities.

Your CFO cares as well ...
The winning combination

SAP S/4 HANA for the Perfect Enterprise +

SAP Simple Finance

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Key Take Always

- Business Networks are the future of B2B-Collaboration
- They allow the highest possible degree of automation and as such optimizing finance processes
- They are part of SAP’s Strategy to simplify processes and make enterprises ready for digital businesses
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