Ariba Update

Florian Seebauer, SAP Ariba,  April 2016
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Cloud and Business Network enable simplification and innovation while freeing up resources.

Forrester IT Survey, 2013

72% Keep the lights on

28% Drive business innovation

Innovation
- Customer experience
- Employee engagement
- Resource optimization
- Networked economy

Drive business innovation

Complexity
- Decision making
- Business-process technology

Keep the lights on

Forrester IT Survey, 2013
Summary of Recent Innovations

- Collaborative Supply Chain 3.0
- Ariba Mobile for Buyers 2.1
- Ariba Visual Renewal - Supplier
- Ariba Mobile for Suppliers
- Fieldglass Integration
- Operational Sourcing
SAP Ariba introduces four cloud releases each year, defect fixes continue every month

Major features and enhancements are released to customers on a quarterly basis
Release awareness and knowledge transfer are delivered pre release
Feature exploration can be completed post release using your existing test site
Defect fixes are deployed when ready via a monthly update
Introducing SAP Ariba Community Voting

- **SAP Ariba Community Voting for SAP Ariba Cloud Procurement & Sourcing Solutions**
  - **Empowers customers and end users** to help drive prioritization for future innovation
  - **Delivers solution-enhancing features** that are important to our community
  - **Voting opened on March 14 and will run through the end of April**, results to be published on Community Voting site in June

- **How to Participate**
  1. Log into your SAP Ariba solution and click the “cast your votes” link on the Welcome screen
  2. When you enter the Community Voting screen, click the thumbs up button to promote your favorite ERs
Source-to-Pay Application Suite Roadmap Investment Priorities

- Direct Material Sourcing
- Supplier Risk Management
- Supplier Management 2.0
- Guided Buying
- External Data Providers
- Partner Extensions
- Open API
- Globalization
- Analytics
- Platform
- Integration
- Security

- Total User Experience
- Invoice Pro 2.0
- Total Landed Cost
- Spot Buy Seller Direct
- Demand Aggregation

BUY

SAP Ariba

MANAGE

CASH

SELL
d

Discover

Connect

Collaborate

Source-to-Pay Application Suite Roadmap Investment Priorities

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Planned integration between Ariba Sourcing / Ariba Contract Management and SAP ERP

Legend:
- Existing standard integration scenarios (some with 14s)
- Planned standard integration scenarios with 15s

Potential starting points of the process are indicated with the following symbol:
Data is extracted as CSV files in ERP, Compressed to a ZIP file and sent within a SOAP Message Envelope through Web Service calls directly to the application. No PI involved.

Master Data Extracted

- Company Code
- Material Group
- Inco Terms
- Payment Terms
- Plant
- Item Category
- Plant & Purchase Org Combo
- Purchase Group
- Purchase Org
- POrg & Company Code Combo
- Item Master & Plant Combo
- Plant & Company Code Combo
SIPM 2.0 - Key innovation themes and focus 2016

- **Vendor Master in the Cloud**
- **Comprehensive Supplier 360**
- **Scale Supplier Management**

<table>
<thead>
<tr>
<th>Vendor Master (General Section)</th>
<th>LFA1</th>
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<tbody>
<tr>
<td>Vendor Master (Company Code)</td>
<td>LFB1</td>
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<tr>
<td>Vendor master (VAT registration numbers general section)</td>
<td>LFAS</td>
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<tr>
<td>Vendor master (dunning data)</td>
<td>LFB5</td>
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<tr>
<td>Vendor Master (Bank Details)</td>
<td>LFBK</td>
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<td>Vendor master record (withholding tax types) X</td>
<td>LFBW</td>
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<td>Vendor master record purchasing organization data</td>
<td>LFM1</td>
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<tr>
<td>Vendor Master Record: Purchasing Data</td>
<td>LFM2</td>
</tr>
<tr>
<td>Partner Functions</td>
<td>WYT3</td>
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</table>
SIPM 2.0 – early mockups
SIPM 2.0 – early mockup

Supplier Profile

Digi Storage

Supplier Information

Name: Digi Storage
Notes: Digi Storage Inc.
Notes: Digi Group
Notes: Digi Storage
Notes: Digi Storage Co.
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List of suppliers with potential risk
After successfully driving indirect spend under management, procurement leaders are ready to harness direct materials spend.

- **Contingent Labor & Services**: 28%
- **Direct & Supply Chain**: 27%
- **Travel & Other Services**: 11%
- **Capex**: 11%
- **Indirect & MRO**: 23%

Source: Spend Categories for Global Top 2000
### Key Challenges Affecting Direct Material Sourcing and Procurement

#### Market Complexity
- Fragmented supply base with varying degree of supplier capability
- Global supply base
- Volatile markets
- Intricate costing and pricing structures

#### Category Complexity
- Detailed specifications & design requirements
- Complex supplier segmentation & performance management by plant / region / item
- Large no. of line items to be evaluated with pricing dependent on both regions and volume

#### Strategic Constraints
- Strategic relationships with suppliers
- Supplier Risk Management – supply continuity, financial, product design, safety, reputational, forced labor etc.
- Regulatory, Environmental requirements
A new layer of innovations to support Direct Materials sourcing

- Product Life-cycle sourcing
- Pricing conditions
- Volume & price forecasting
- Product costing
- Supplier perf. automation
- Advanced optimization
- Multi-level BOM
- Service item hierarchy
- PLM integration
- Supplier qualification & segmentation

User experience + SAP HANA Cloud Platform + integration SAP ERP and non-SAP
Direct Materials Procurement

Expanding to Direct Materials provides you with a unique End-to-End Solution for all Spend Categories

- Invoice & Pay
  - Invoice
  - PO Confirmation
  - Component Receipt Notice
  - Manufacturing Visibility
  - Component Consumption Notice
  - Advance Ship Notice

- Request & Buy
  - Request
  - Approve
  - Order
  - Receive
  - Manage
  - Pay

- Source & Contract
  - Plan
  - Source
  - Contract

- Supplier Management
  - Goods Receipt Notice
  - Consignment Inventory Status
  - Self Billing/ERS Invoice
  - Payment

User Experience + SAP HANA Cloud Platform + INTEGRATION

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Ariba Network Spot Buy will be available within the following solutions:

- Ariba Procure to Pay (P2P) + Ariba Network
- Ariba Procure to Order (P2O) + Ariba Network
- Ariba Procurement Content (APC) + Ariba Network
- SAP SRM + Collaborative Commerce (APC + Ariba Network)
- Plug and Play adoption and deployment

**Buyer Pricing**

| No software subscription fees | Standard eBay fees apply |

**Seller Pricing**

| Implementation fees – TBD | Seller Direct model – fees TBD |

**Timing**

- 1H’15 GA with eBay in US
- 1H’16 Pilot in Europe (UK/DE)
Ariba Network Mobile (Supplier)

Get Real-time Alerts
- Configure push alerts
- Receive notifications
- View network activity

Perform Work on-the-go
- Confirm PO
- Save important documents for later

Business Insights
- Light analytics
- View transactions by customer

Monitor Key Activity
- View PO and Invoices Details
- Search PO and Invoices
- Review PO and Invoice Timelines
Seller Mobile

AN Mobile 1.0
Monitor PO/Invoice Activity
Alerts and Notifications
PO confirmations
Pin important documents

AN Mobile 2.0
Password Alternative w/Gravity
New PO Alert throttling

AN Mobile 3.0
Customer Intelligence
PO/Invoice Attribute Extensions
Multi-org support
Payments

FUTURE
Leads and Opportunity notifications
Service Entry Sheets
SMP Bill Pay
Collaboration
Registration and Onboarding
ASN, PO Flip, non-PO invoices
Offline access
...

Upcoming Release

Roadmap Plan: Subject to change

PLANNED INNOVATIONS
Supply Chain

Value Levers at Each Stage

**Better** sharing of planning & execution information

**More** processes enabled

**Increased** access to intelligence

- **CSC 1.0**
  - A basis for direct materials collaboration on execution processes

- **CSC 2.0**
  - Outsourced manufacturing and consignment inventory scenarios

- **CSC 3.0**
  - Additional process areas to support collaborations
  - Forecast collaboration
  - Manufacturing visibility

- **CSC 4.0+**
  - Usability, mobile
  - Inventory collaboration
  - Quality collaboration
  - More advanced Multi-Tier Collaboration Scenarios
  - Network Intelligence

**FUTURE**

- Logistics Collaborations
- Customer Collaborations

**Upcoming Release**

**PLANNED INNOVATIONS**

Roadmap Plan: Subject to change

**Certain.**
- Track & trace visibility
- Cash flow control
- Rich remittance & reconciliation data
- Dual user verification

**Simple.**
- Single interface
- Single debit
- Supplier self-service
- Reduced costs
- Bank information security
- Regulatory compliance
- Fraud elimination
- Efficient funds settlement

**Secure.**

- Simple, rich UI
- Single source information
- Self service
- Reduced costs

Buyer

Supplier
Value of light enablement through Interactive Email – Order

- **All suppliers perceive value in-line with their size and volume**
  - Light enablement for supplier with few basic transaction
  - Easy, simple, free and no change management
  - Early and ongoing supplier value allows suppliers to choose free or use any of the value added services

- **Incentivize buyers to enable all their suppliers**
  - Ability to turn off parallel processes, reduced supplier inquiries, more accurate invoices
  - Majority of suppliers can be enabled ad-hoc
  - Supplier have a choice to pay

- **Supplier enablement is more efficient**
  - Email-Only = no change management and no portals
  - Free enablement and support help when needed
  - New focus on truly transacting suppliers
When to select Light Enablement: understanding Supplier segmentation

REGULAR PORTAL ENABLEMENT

- Full Ariba Network functionality
- Helpdesk & Support
- M2M integration
- Mobile Portal
- Full transaction set
- Innovations AribaPay Spot Quote ...

NEW! LIGHT ENABLEMENT

- Interactive email
- Free, simple
- No Ariba Network registration

Crucial for business case

Upgrade by Choice
No compulsion

Ariba Network

Business rules

Interactive email

Buyers

Eliminate friction

500 Suppliers

A

B

C

1500 Suppliers

5000 Suppliers

Suppliers

$ € ¥
Thank you

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