SAP Ariba Solution Overview and Integration with SAP S/4HANA

August 2017
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Mega Trends and Innovations Impacting the Procurement Function of the Future

**Business Value of Procurement**
- Tasks are operative, tactical and strategic
- Key KPI: Savings

**Industry 4.0 Internet of Things**
- Sequential Processing of purchase requisitions and POs

**Digital Business**
- Paper based POs / Goods Receipt and Invoices Scanning
- Lights out shared services with end-to-end automation
- Spot buy integration in catalogs

**Networks & Marketplaces**
- B2C
- B2B
- SAP Ariba connected commerce

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Business value – ‘Value Creation Officer’
- Supplier innovations
- Supplier Risk & Performance

Today

Tomorrow

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SAP Ariba in the Context of the Digital Economy

Customer experience
Suppliers & networks
Digital Core
SAP HANA Platform
Security

IoT & big data
Workforce engagement

BUYERS
Source
Procure
Settle
Supplier Management

SUPPLIERS
Buyer Management
Market
Fulfill
Settle

Ariba Network

SPEND CATEGORIES
- Direct
- Indirect and MRO
- Contingent Labor
- Travel

Integration to SAP and Non SAP Solutions, Secure, Open platform
Transform your source-to-settle process to manage risk and improve internal and external collaboration...

Buyers

ERP, Planning Solutions

People

Processes

Source
Spend Analysis, Risk, Bid Requests, BOM’s, Compliance, Contracts, Pricing, Performance, Risk Profile

Procure Indirect
Buying Channel, Searches, Compliance, Orders, Confirmations

Manage Direct Supply Chain
Forecasts, Inventory, Manufacturing Visibility, Orders, Schedules, Returns, Quality

Settle
Invoices, Status, Receipts, Discounts, Financing Options, Payments

Manage Suppliers
Risk, Compliance, Performance, Lifecycle Management

Trading Partners

Indirect Suppliers

Contract Manufacturers

Direct Suppliers

N-Tier Suppliers

Logistics Providers

Spend Types: Indirect Materials | MRO | Direct Materials | Services
Supplier Collaboration with Ariba Network: all suppliers of all sizes through one single platform

- 2.3+ million Companies
- 130+ million Documents annually (PO + Invoices)
- >€1 Trillion in annual commerce
SAP Ariba Offers Suppliers Choice on How to Collaborate Digitally

- **Ariba Light Enablement**
  - Interactive Email Order and Invoices

- **Supplier self Enablement**
  - Portal: File Upload and/or PO Flip

- **Ariba Enablement Services**
  - System-to-System

**Ariba Network**
- portal customer
- PO, OC, INV via email only
- Full transaction set

**Ariba Enablement Services**
- portal customer
- Full transaction set, EDI, cXML

**Value**

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Our truly end-to-end process

Collaborative Sourcing and Contract Management

With SAP Ariba Strategic Sourcing, you can combine category and project mgmt., RFX, workflows, commodity intelligence, etc. integrated into S/4HANA Operational Contract, Outline Agreement and Contract Monitoring to drive sourcing efficiency.

Inject supplier innovation into product design process and integrate BOM with Sourcing Events, manage product cost optimization

SAP S/4HANA offers basic RFQs with message-based supplier communication.

Supplier Management

Manage suppliers at scale with SAP Ariba Supplier Management: onboarding, supplier information management, supplier lifecycle for qualification, segmentation, and risk, and vendor master sync.

SAP S/4HANA provides the core functionality to evaluate the supplier performance based on transactional facts and questionnaires.
Our truly end-to-end process

Operational Purchasing

Guided Buying
- Catalog
- Purchase order or reservation
- Supply collaboration
- Goods receipt
- Invoice receipt

SAP Ariba Buying
- SAP Ariba Catalog
- SAP S/4HANA
- Ariba Network
- SAP S/4HANA

Requisitioning
- Managed catalog
- Purchase order or reservation
- Supply collaboration
- Goods receipt
- Invoice receipt

SAP S/4HANA
- SAP Ariba Catalog
- SAP S/4HANA
- Ariba Network
- SAP S/4HANA

Plant maintenance / project system
- Managed catalog
- Purchase order or reservation
- Supply collaboration
- Goods receipt
- Invoice receipt

SAP S/4HANA
- SAP Ariba Sourcing
- SAP S/4HANA
- Ariba Network
- SAP S/4HANA

Supply Chain Collaboration via Ariba Network

Demand plan
- Forecast
- Commit
- Constrained plan

SAP IBP / SAP S/4HANA
- SAP Ariba Supply Chain Collaboration
- SAP Ariba Supply Chain Collaboration
- SAP IBP / SAP S/4HANA

MRP
- Purchase order scheduling release
- Supplier collaboration
- Invoice receipt

SAP S/4HANA
- SAP Ariba Supply Chain Collaboration
- SAP S/4HANA
- SAP S/4HANA

SAP S/4HANA with SAP Ariba Supply Chain Collaboration supports sophisticated supply chain planning and direct procurement processes to reduce inventory levels, and improve order fill rates.

Invoice and Payables Management

Smart Invoicing
- Invoice receipt and approval
- SAP S/4HANA
- SAP Ariba Payables
- Settlement
- Payment Execution

Ariba Network
- SAP S/4HANA
- SAP Ariba Payables
- SAP S/4HANA
- SAP Ariba Payables

Contract Invoicing
- Invoice receipt and approval
- SAP S/4HANA
- SAP Ariba Payables
- Settlement
- Payment Execution

Ariba Network, SAP Ariba Invoice Management
- SAP S/4HANA
- SAP Ariba Payables
- SAP S/4HANA
- SAP Ariba Payables

Streamline accounts payables and reduce costs with smart invoicing for 92+% clean invoices into S/4 allowing for short approval cycles to leverage payment terms, dynamic discounts and improving cash flow.

SAP Ariba Guided Buying provides an intuitive buying experience tightly integrated into SAP S/4HANA. S/4 HANA offers a catalog based requisitioning process, leveraging content from Ariba catalogs and marketplaces, to promote buying channel compliance.

Plan Driven Procurement automates ordering processes for frequently needed production materials integrated into Ariba Network.
SAP Ariba Guided Buying

Clean, easy-to-use and intuitive layout

Elegant and Intuitive User Experience
- Recently ordered items
- Popular content
- Search across items, services, suppliers, requisitions

Natural and powerful search experience
- Predictive (type ahead) Search
- Faster access to information

‘3-Click and Buy’
- Buying as smooth as personal shopping cart experience

Compliant buying process
- Enforced corporate policies

Truly one place for all goods, services and travel
- Integration to Fieldglass for contingent labor management
- Integration to Concur for T&E management
Options that work for you

**SAP S/4HANA + SAP Ariba Apps & Ariba Network**
- You are driving a digital IT transformation agenda including procurement transformation
- Procurement will be tightly connected to the backend in a single end to end system
- The recommendation is for you to manage procurement processes in Ariba Apps integrated to S/4HANA for core processes - single or multi backends based on business need

**SAP S/4HANA + Ariba Network**
- You are focused on transforming IT with an ERP suite, and expect essential procurement process support as part of the core foundation
- Main focus is digital IT transformation
- Typically less than 1bn$ revenue

**SAP Ariba Apps + Ariba Network**
- Your primary business case is procurement transformation
- Strategic sourcing & supplier management is critical to the business goal. Operational procurement scope is indirect, MRO & services spend.
- IT has no immediate plan to go to SAP S/4HANA. System landscape may be heterogeneous and have multi-ERPs across the globe

Your IT strategy drives SAP’s recommendation for either SAP S/4HANA OnPremise or Cloud edition.
Global program to drive SAP SRM transformations
Supporting SAP SRM customers to transition to SAP S/4HANA and SAP Ariba

Enable SAP SRM customers to benefit from innovations in SAP S/4HANA and SAP Ariba

Call to Action

- Go to the „Future of SRM“ website
- Check out SAP Ariba and SAP S/4HANA content (white paper, roadmaps, etc.)
- Fill in the SRM transformation survey
- Talk to SAP experts about your transformation options and develop an action plan

http://www.sapsupport.info/future-of-srm/
Integration from SAP Ariba

Deeper integration with SAP
- Covers the entire source-to-settle business processes
- Leverages the latest SAP technology and solutions
- Aligns with SAP’s cloud-to-cloud and cloud-to-on-premise integration strategy

Broader integration with non-SAP
- Leverage partners for non-SAP integrations
- Supports major industry standards and formats

Easier integration for all
- Optimize combination of technology, go-to-market, and services for rapid delivery of all SAP and non-SAP options

Different integration options
1. Ariba Network integration – Standard integration between SAP S/4HANA and SAP ERP with Ariba Network solutions
2. SAP Ariba Applications integration – Standard integration between SAP S/4HANA OP and SAP ERP with SAP Ariba Applications that cover the entire source-to-settle process
3. SAP Ariba Cloud Integration Gateway, enabled on SAP Cloud Platform Integration – Integration as a service for suppliers with support for multiple industry standards

Integration vision
Deeper with SAP, broader with non-SAP, easier for all

Power of & - SAP & Ariba
- Strengthens the ROI of their S4 digital core transformation with extended procurement value from SAP Ariba
- Achieves seamless integration of business processes and user experience
- Combines S/4HANA and SAP Ariba and creates an even stronger story (100+ standard integrations)
## Standard integrations - 160

### Ariba Applications

**Sourcing**

- Master 14
  - Purchasing organization
  - Purchasing groups
  - Company code
  - Payment Terms
  - Supplier (outbound)

**Procurement**

- Master 29
  - Account categories
  - Assets
  - Company codes
  - Cost centers
  - Cost center languages
  - ERP commodity codes
  - General ledger
  - Internal orders
  - Plant
  - Payment terms
  - Purchase groups
  - Tax codes
  - WBS elements
  - User data
  - User group mapping
  - Remittance locations
  - Supplier data
  - Supplier location
  - Contracts
  - FM derive

### Ariba Procurement

**Sourcing**

- Standard PO
  - Subcontract PO
  - Consignment PO
  - Change PO
  - Cancel PO
  - Order Enquiry request
  - Order Confirmation
  - Inbound Shipment Notice
  - OutboundASN
  - Component consumption

**Procurement**

- Inbound Receipt
  - Outbound Receipt
  - Service Entry Sheet
  - Service Entry Status Update
  - Invoice (incl. Credit Memo)
  - Invoice status
  - Carbon copy (CC) invoice
  - Quote request
  - Quote message
  - Payment instruction file

**Transaction**

- Quote request
  - Quote message

**Sell side**

- Material master/plant
  - Manufacturer part number
  - Purchase Info Record
  - Material Groups (product categories)

**Transaction**

- Material PO
  - Service PO
  - Change PO
  - Cancel PO
  - Close PO
  - Goods Receipt
  - Service Entry Sheet
  - Invoices (OK-to-Pay)

### Ariba Network

**Buy side**

- Standard PO
  - Subcontract PO
  - Consignment PO
  - Change PO
  - Cancel PO
  - Order Enquiry request
  - Order Confirmation
  - Inbound Shipment Notice
  - OutboundASN
  - Component consumption

**Sell side**

- Order
  - Change order
  - Cancel order

**Transaction**

- Remittance advice
  - Delivery schedule (forecast)
  - Delivery schedule (JIT)

### Aragon x12

- V4010
  - 810
  - 820
  - 830 (Forecast)
  - 830 (Commit)
  - 846
  - 850
  - 855
  - 860
  - 861
  - 862
  - 866
  - 866 (MO/PO)

### EDIFACT

- D96A
  - ORDERS
  - ORDCMG
  - ORDHSIP
  - INVOC
  - DESADV
  - CONTROL
  - RECSADV
  - REMADV
  - INVRPT
  - DLFORD
  - DLFORD
  - APERAK

- D01B
  - INVOIC

### ODUGIS v2.3

- ProcessPurchaseOrder
- AcknowledgePurchaseOrder
- NotifyShipment
- ProcessReceiveDelivery
- NotifyPlanningSchedule
- NotifyPlanningNotification
- NotifyInventoryConsumption
- NotifyProductionOrder
- NotifyInventoryBalance
- ConfirmBOD

### PiDX v1.61

- ORDER
- ChangeOrder
- OrderResponse
- Invoice
- InvoiceResponse
### Protect your revenue
- Protect your company’s reputation against negative supply chain incidents
- Avoid supply chain disruptions that impact sales
23% reduction in revenue loss due to stock-outs

### Negotiate better prices & conditions
- Save more on what you already strategically source
- Strategically source more spend than you do today
- Increase competition on spot purchases
2-7% average incremental unit price reduction

### Buy & pay at negotiated savings rates & conditions
- Follow the right policy to buy the right goods and services from the right supplier at the right price
- Ensure that suppliers bill you accurately and you pay your suppliers accurately
1-2% of target spend for average savings in contract leakage avoidance

### Free up working capital
- Capture more early payment discounts
- Extend Days Payable Outstanding to increase free cash flow
- Reduce inventory levels
$2.5M per $1B of target spend for cash management savings

### Lower operating costs
- Reduce cost of processing purchase orders
- Reduce cost of processing invoices
- Reduce cost of processing payments
- Reduce audit costs and cost to manage risk
- Reduce planning and scheduling costs
- Improve cycle time for onboarding suppliers
- Reduce total cost of ownership
40-50% operating cost reduction
Customer success in source-to-settle process

AI-Ruttaim automotive group

US$16 million annual savings

33% PO process time reduction

97% invoices paid without manual intervention

BPI

12% Savings as a percentage of total spend

40% Lower req-to-order cycle time

30% Faster invoice processing time

KAESER KOMPRESSOREN

30% Reduction in select commodity costs

50% Reduction in order processing time

Eliminated Manual invoicing errors

ptt GLOBAL CHEMICAL

40% Spend savings

50% Improvement in procurement cycle time

56% Lower inventory cost

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Solution Roadmap SAP Sourcing and Procurement

Link to Roadmap

including SAP Ariba, SAP Ariba Network and SAP S/4HANA