SAP Ariba

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

August 2017

SAP Run Simple

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Mega Trends and Innovations Impacting the Procurement Function of the Future

	Business Value of Procurement	Industry 4.0 Internet of Things	Digital Business	Networks & Marketplaces
Today	Tasks are operative, tactical and strategic Key KPI: Savings	Sequential Processing of purchase requisitions and POs	Paper based POs / Goods Receipt and Invoices Scanning	B2C Alibaba Group ebay
Tomorrow	Business value – 'Value Creation Officer' Supplier innovations Supplier Risk & Performance	Warehouse ordering automation 3 D Printing	Lights out shared services with end-to-end automation Spot buy integration in catalogs	B2B SAP Ariba connected commerce

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SAP Ariba in the Context of the Digital Economy

SUPPLIERS

Buyer Management

Market | Fulfill | Settle

Ariba Network

BUYERS

Source | Procure | Settle

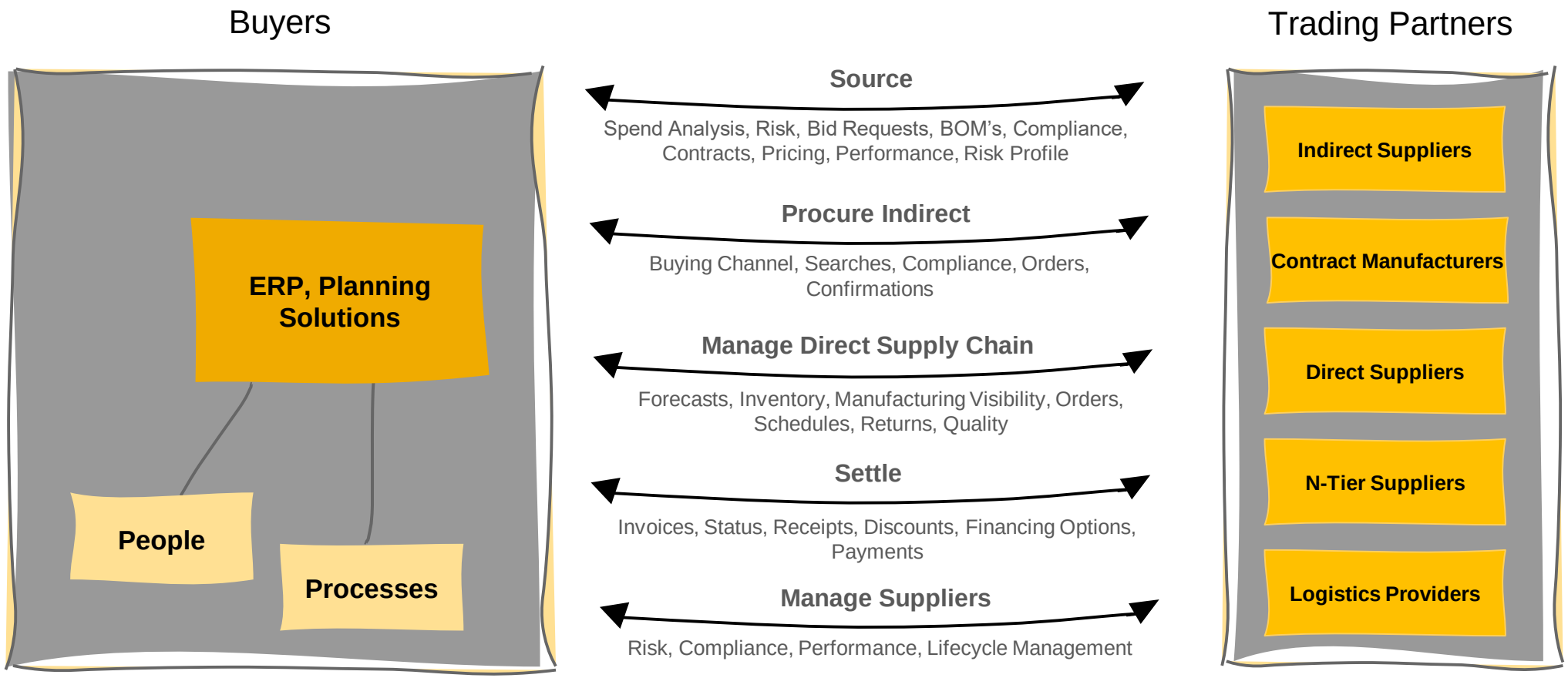
Supplier Management

SPEND CATEGORIES

Direct	SAP S/4 HANA, SAP Ariba
Indirect and MRO	SAP Ariba
Contingent Labor	SAP Fieldglass
Travel	CONCUR

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…



Spend Types: Indirect Materials | MRO | Direct Materials | Services

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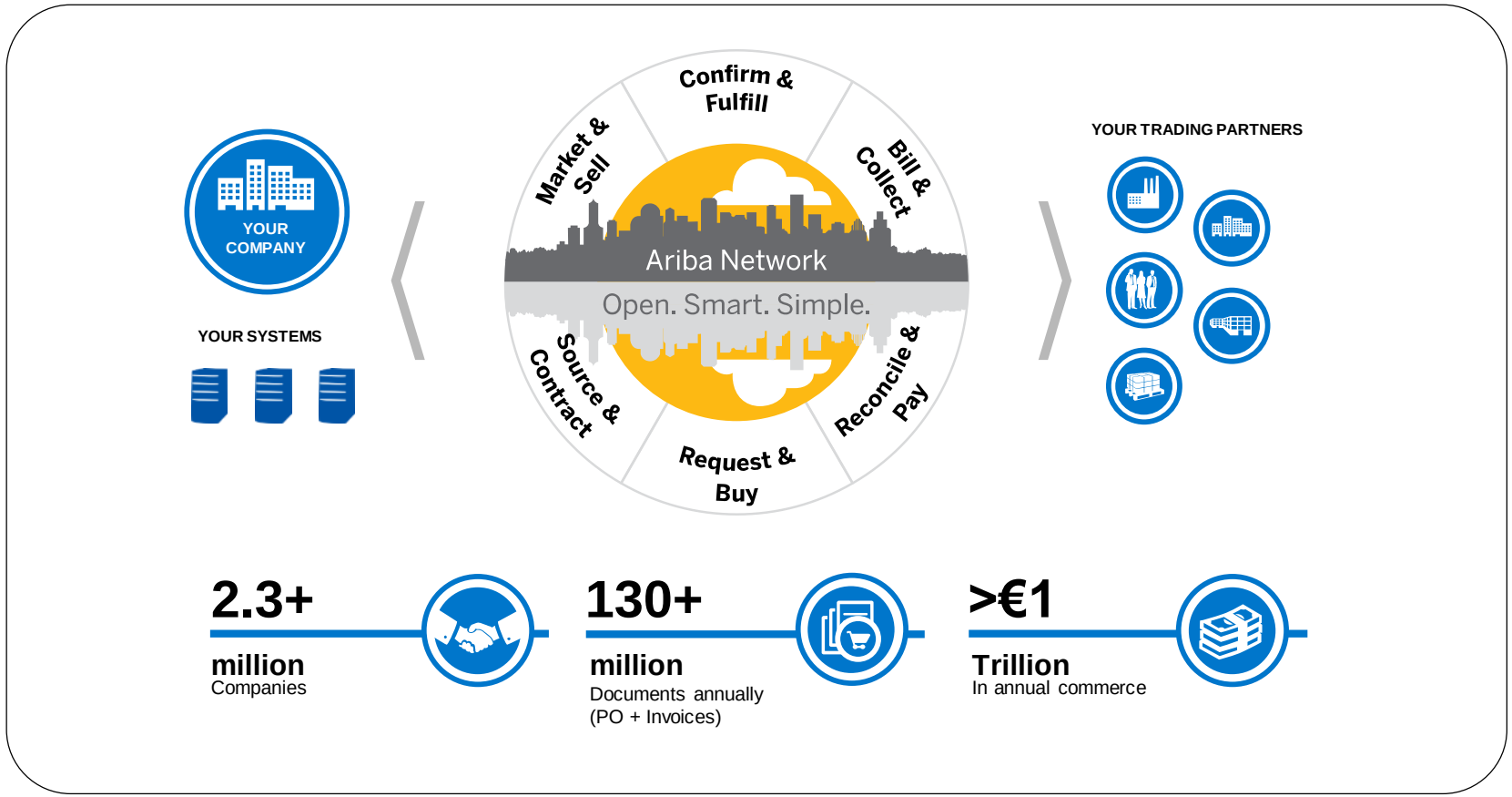
Supplier Collaboration with Ariba Network: all suppliers of all sizes through one single platform



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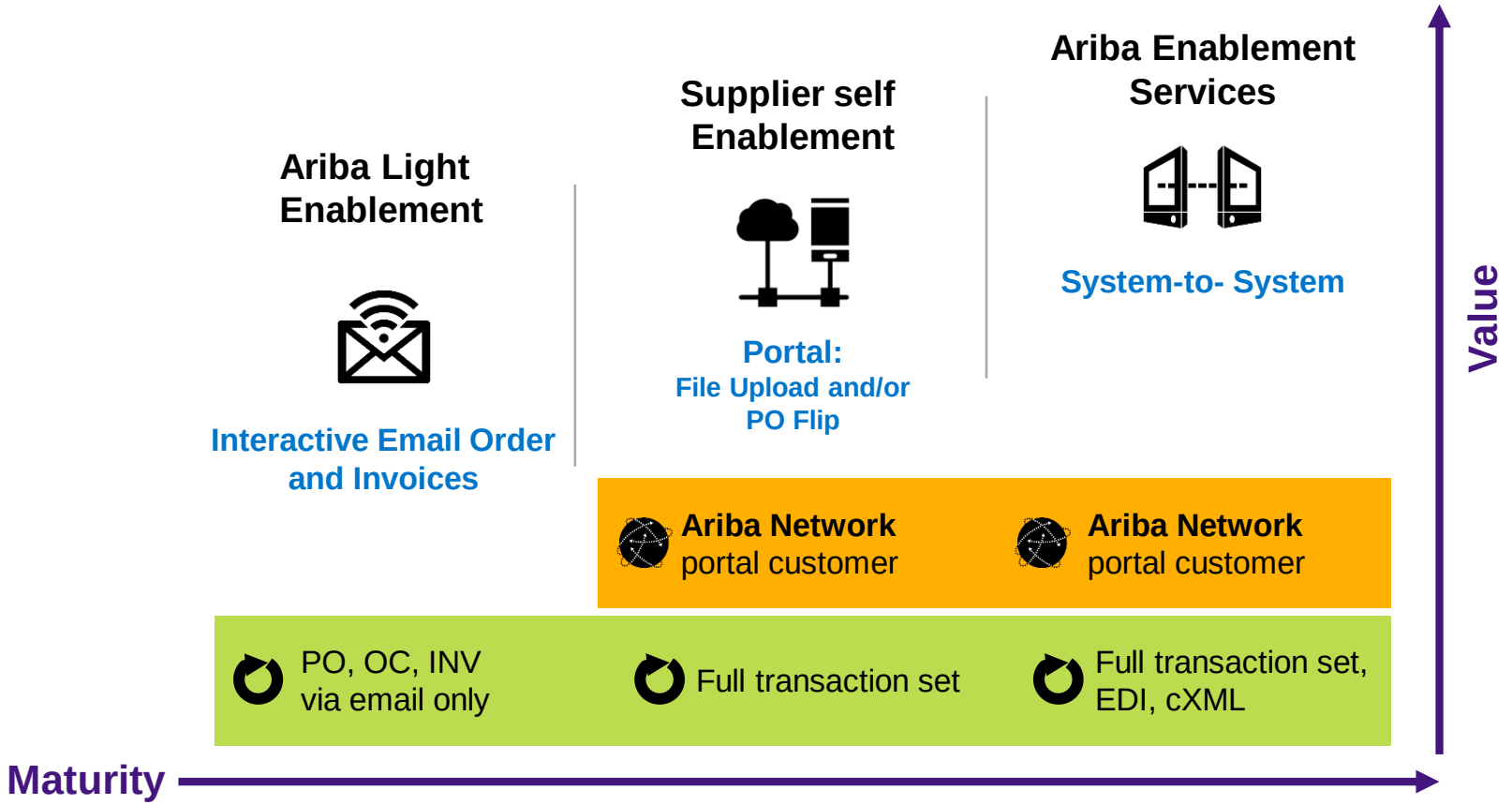
SAP Ariba Offers Suppliers Choice on How to Collaborate Digitally



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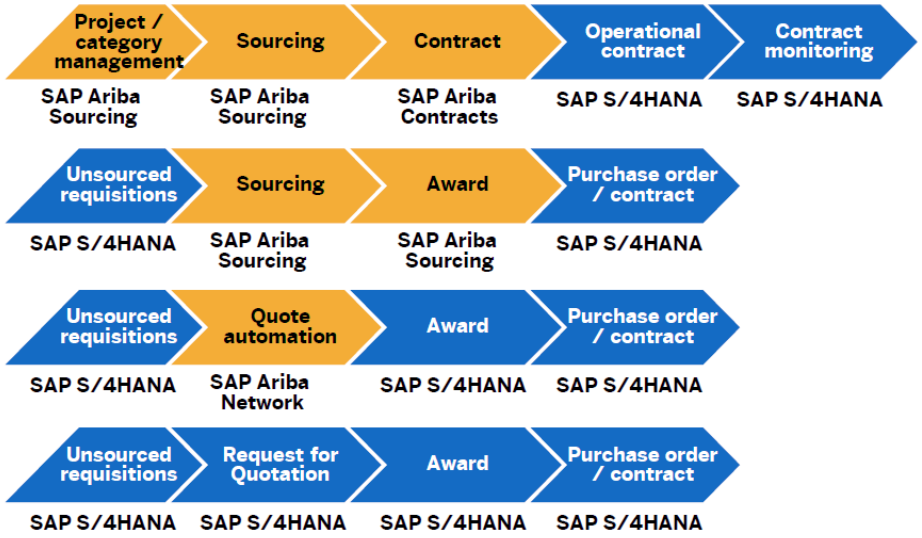
Our truly end-to-end process

Collaborative Sourcing and Contract Management

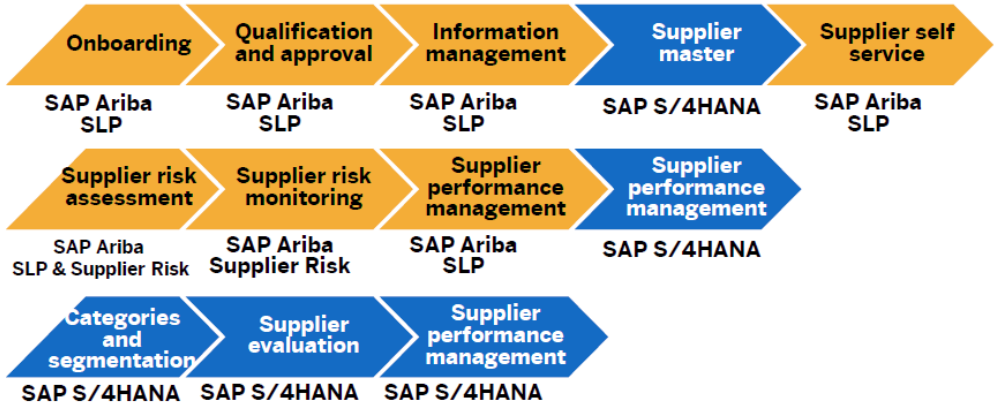


With SAP Ariba Strategic Sourcing, you can combine category and project mgmt., RFX, workflows, commodity intelligence, etc. integrated into S/4HANA Operational Contract, Outline Agreement and Contract Monitoring to drive sourcing efficiency.

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

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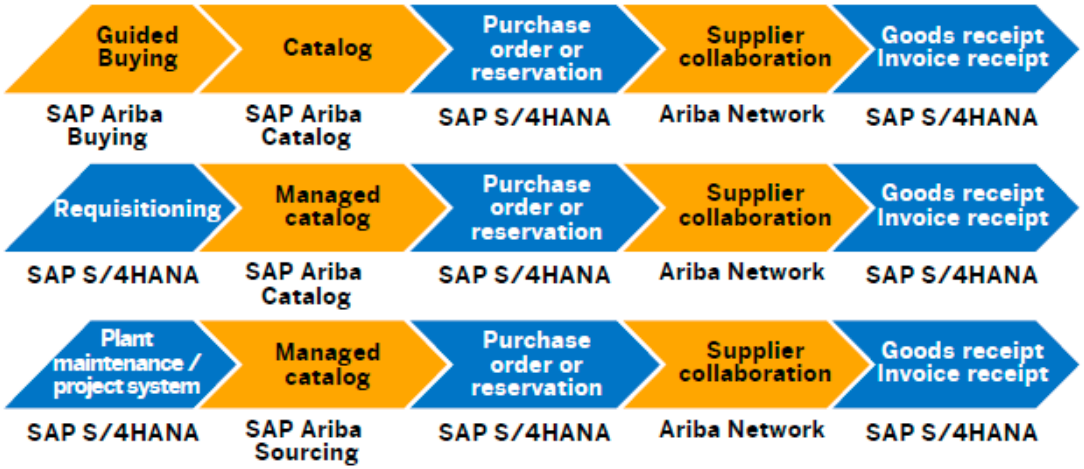
Our truly end-to-end process

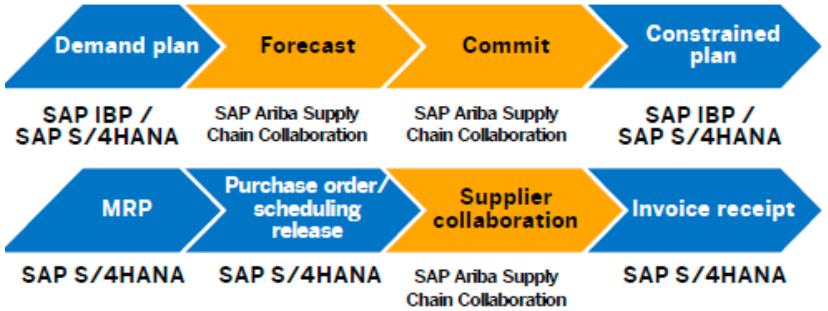
Operational Purchasing



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.

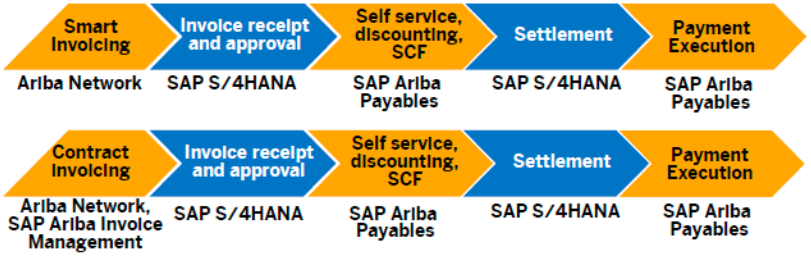
Plan Driven Procurement automates ordering processes for frequently needed production materials integrated into Ariba Network.

Supply Chain Collaboration via Ariba Network



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



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

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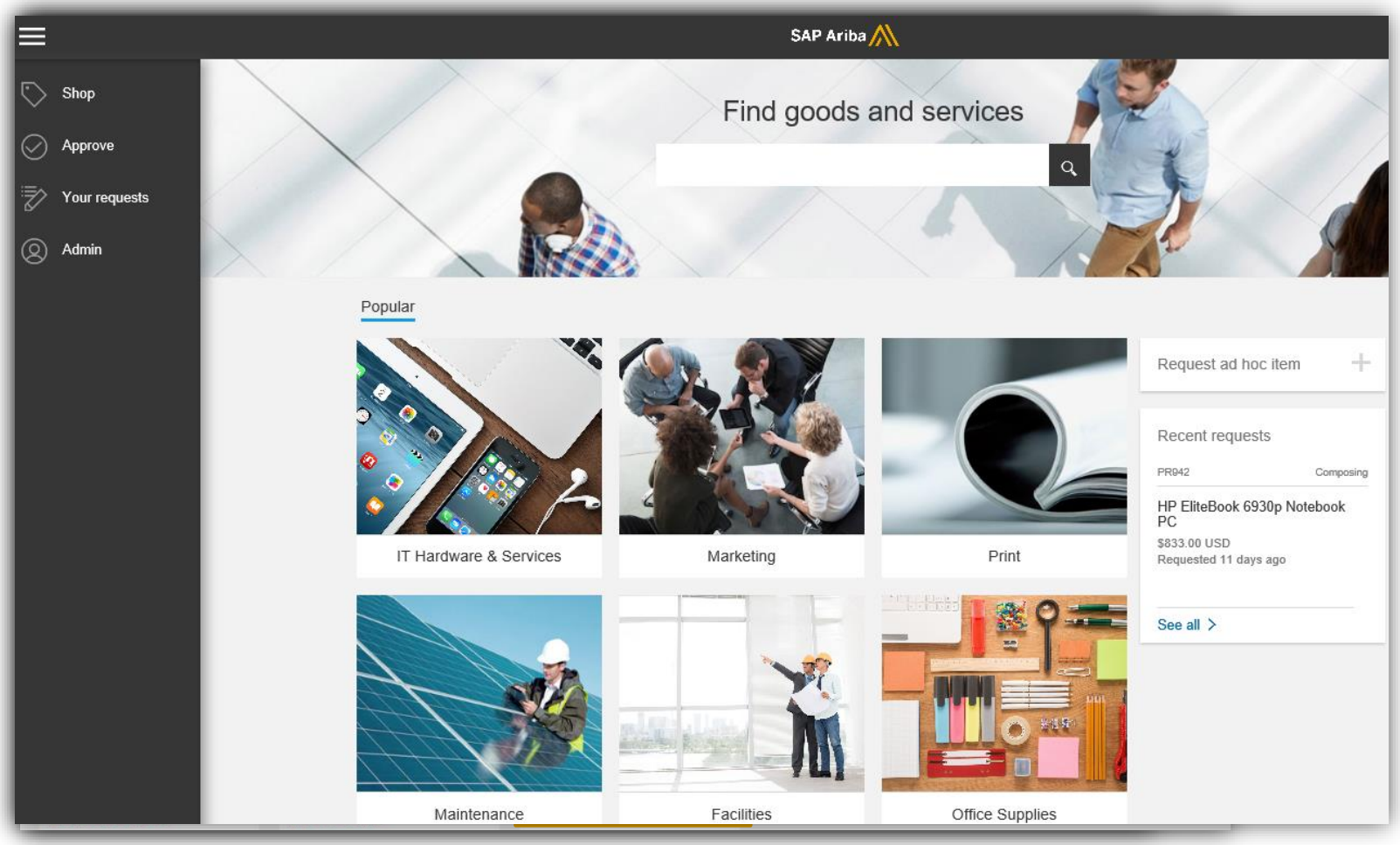
SAP Ariba Guided Buying

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

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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

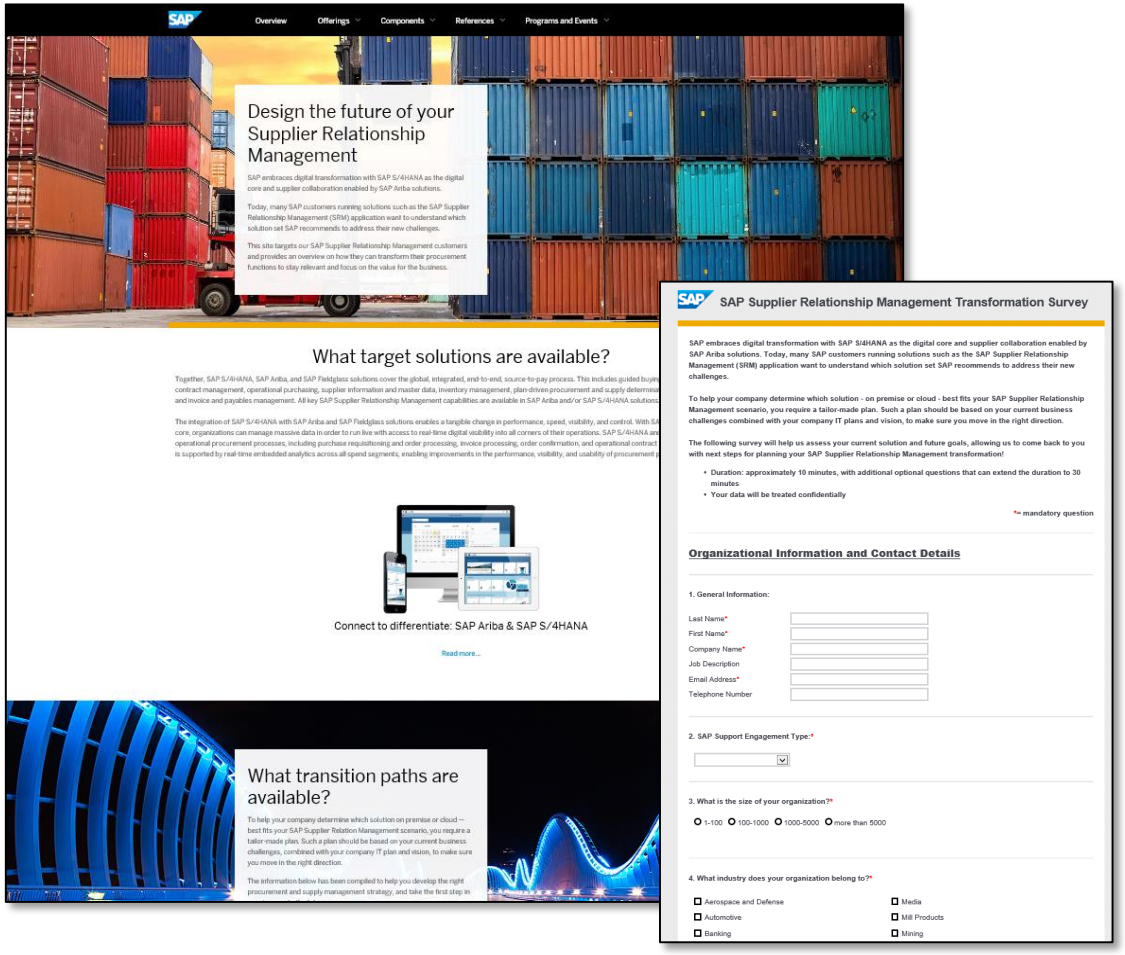
SAP Ariba Apps + Ariba Network

- 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/

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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

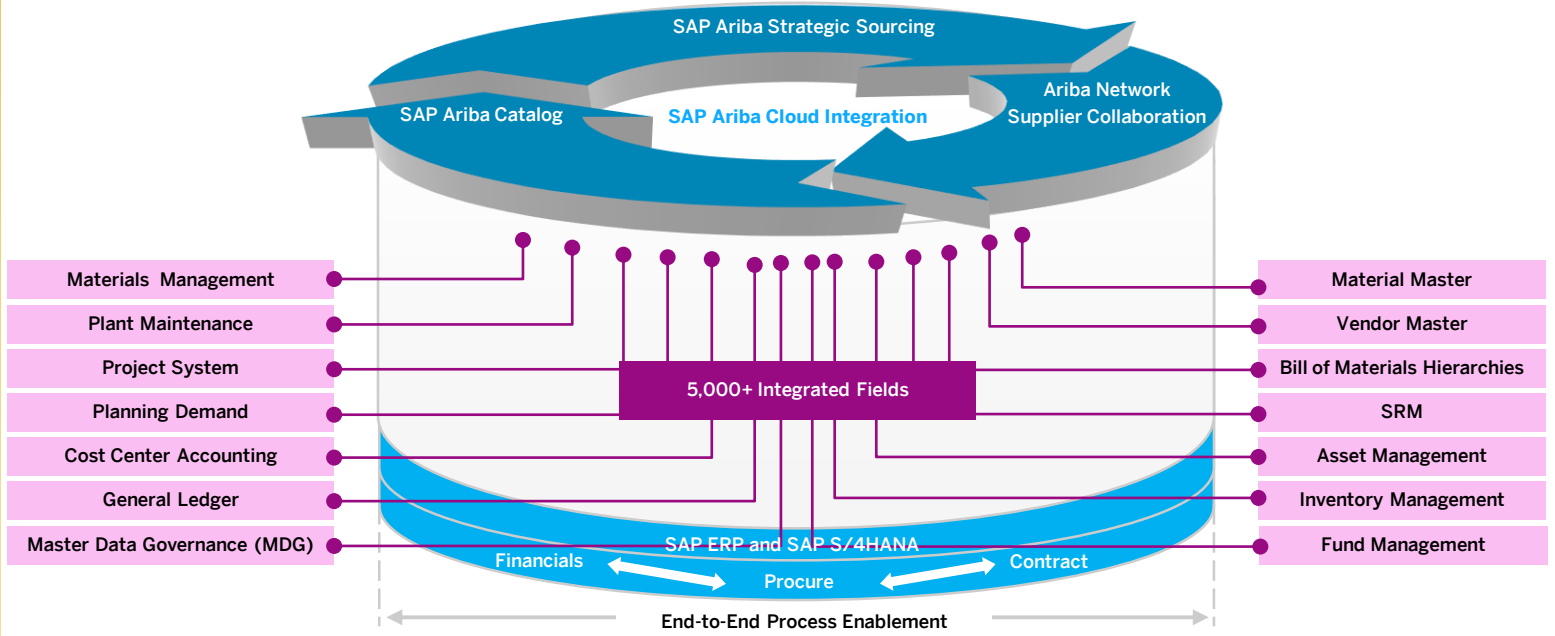
160	100+	50+
standard integrations	standard integrations with SAP ERP and SAP S/4HANA	standard integrations for suppliers

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)

SAP Ariba

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Standard integrations - 160

107 = SAP ERP and S/4 HANA On-Premise

53 = Other Formats – Network Sell side

Ariba Applications Procurement | Sourcing

Master 14

- Purchasing organization
- Purchasing groups
- Company code
- Payment Terms
- Supplier (inbound)

- Supplier (outbound)
- Plants
- Incoterms
- Bill of Material
- Material Master

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

Transaction 5

- Quote request
- Quote message

- Sourcing Award to PO
- Contract Workspace

- Sourcing Award to Outline Agreement

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

- Company code internal order mapping
- Company code WBS element mapping
- Purchasing organization supplier combo
- Account category field status
- Plant to purchasing organization
- Currency conversion rates
- Fund management objects
- Purchasing organizations
- General ledger languages

Transaction 22

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

- Expense report
- PO status
- Change PO status
- Receipt status
- Invoice status
- Remittances
- Catalog

- Advance Payment requests
- Advance Payments
- Cancel Advance Payment
- Requisition
- Change Requisition
- Budget Check
- SES Response

70

Ariba Network

Buy side 28

- Standard PO
- Subcontract PO
- Consignment PO
- Change PO
- Cancel PO
- Order Enquiry request
- Order Confirmation
- Inbound Ship Notice
- Outbound ASN
- Component consumption

- 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

- Outbound payment remittance
- Inbound remittance advice
- Remittance Cancellation
- Inbound Payment proposal
- Outbound Payment proposal
- Scheduling Agreement (incl. Forecast/ Delivery Schedule and JIT)
- Product Replenishment
- Transfer movement / product activity

Sell side 9

- Order
- Change order
- Cancel order

- Order confirmation
- Invoice
- Shipment notification

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

Sell side 53

X12 v4010

- 810
- 820
- 824
- 830 (Forecast)
- 830 (Commit)
- 846
- 850
- 855
- 856
- 860
- 861
- 862
- 866
- 866 (MO/PO)
- 997

EDIFACT D01B

- INVOIC

EDIFACT D96A

- ORDERS
- ORDCHG
- ORDRSP
- INVOIC
- DESADV
- CONTRL
- RECADV
- REMADV
- INVRPT
- DELFOR
- DELJIT
- APERAK

xCBL v3.0

- Order
- ChangeOrder
- InvoiceResponse
- GoodsReceiptNotice
- ServiceEntrySheetResponse
- OrderResponse
- Invoice
- AdvanceShipNotice
- ServiceEntrySheet
- RemittanceAdvice

OAGiS v9.2

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

PiDX v1.61

- Order
- ChangeOrder
- OrderResponse
- Invoice
- InvoiceResponse

90

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What are key elements of a business case

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

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Customer success in source-to-settle process

Al-Futtaim 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

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