

# Ariba® Network – Enabling Business Commerce in the Digital Economy



## Benefits

- Delivers an e-commerce platform that improves the way trading partners buy, sell, and manage cash
- Drives collaboration around key transaction documents such as purchase orders, change orders, order confirmations, advance ship notices, invoices, and more
- Improves management of all types of spend including direct, indirect, services, MRO
- Supports electronic catalogs, contract management, and the matching of invoices to purchase orders and contracts
- Validates line-level detail on invoices to promote straight-through processing;
- Consolidates the processing of paper and electronic invoices
- Enables collaboration over the timing of payment through dynamic discounting
- Supports the exchange of multiple file formats to accommodate all suppliers
- Serves as key channel for new business development
- Connects easily to any ERP or back office system for business commerce collaboration on a global basis

## Results

By conducting transaction over the Ariba Network\*, Buyers can:

- Compress their invoice processing cycle from weeks or months to a few days
- Reduce invoice processing costs by >60%
- Achieve >98% touchless invoice processing
- Capture \$3 million in early payment discounts for every billion dollars of spend
- Prevent contract leakage to drive substantial additional cost savings

Suppliers can:

- Realize a 6-day reduction in DSO
- Reduce purchase order processing time from weeks to hours
- Reduce invoice error rates by 83%
- Generate 65% of new business opportunities
- Grow business in an account by 300% over 3 years
- Improve cash flow forecasting

\*Based upon results from Ariba customers

In a digital economy, collaboration is not an option. It's the key to driving business process transformation, and new levels of business performance.

That's why more organizations are turning to the Ariba Network for a better way to buy, sell and manage cash. As the world's business commerce network, the Ariba Network seamlessly connects buyers with all suppliers regardless of their size, location, or technical sophistication—making cloud-based commerce as easy for businesses as it is for consumers.

The Ariba Network enables trading partners to transact at the speed of the Internet. It helps buyers to consolidate the processing of paper and electronic invoices, create "perfect payables" through PO-Flip® and contract invoicing, and realize new business potential by aligning procurement and payables. It helps drive dynamic discounting programs that optimize working capital for buyers and sellers. And it provides an e-commerce channel that helps suppliers forecast their cash flow, improve customer satisfaction, and generate new business.

## Features

**Technology:** Cloud-based network that connects buyers and suppliers through a Software-as-a-Service (SaaS)-based e-commerce platform. Extends virtually any back-end system for business commerce collaboration

**Community:** Ariba Network, the world's largest global trading community with more than two million trading partners, and Ariba Exchange, an online community of peers and thought leaders for sharing insights and best practices and value-added business partners

**Capabilities:** Automates trading partner collaboration and transaction processing across the e-commerce spectrum: source-to-settle for buyers, order-to-cash for suppliers. Supports electronic catalogs, contract invoicing, PO-Flip, dynamic discounting, electronic payment with detailed remittance, new business discovery, and more.

## Why Choose the Ariba Network

Continuing to manage business transactions with paper and manual processes poses problems for buyers and suppliers. Buyers may have contracts with suppliers but can't enforce them. They may send orders to their suppliers, but can't track them. Procurement and accounts payable staff often spend too much time managing invoice errors and exceptions. In addition, buying organizations rarely capture all available early payment discounts, and have no way to capture dynamic discounts on a sliding scale, up to the invoice due date.

Conversely, suppliers often experience delays processing purchase orders received by fax or mail, and then leave customers in the dark about order availability and shipment. They must place phone calls to customers to track invoice and payment status. Many suppliers are interested in improving their cash flow and growing their business, but may not have access to credit lines, bank loans or a proven channel for finding new customers.

The Ariba Network addresses these obstacles to business commerce for buyers and suppliers. As a global network with more than two million trading partners, it can drive:

### Trading partner transparency for transaction processing breakthroughs.

By enabling a more efficient, collaborative process for managing a transaction—whether it involves a contract, catalog, service entry sheet, purchase order, order confirmation, advance ship notice, or invoice—the Ariba Network accelerates business commerce. Collaboration through the Ariba Network enables buyers and sellers to track the status of every transaction in real-time. In place of phone calls to their customers, suppliers can see the status of every invoice, and when they are scheduled to be paid. And through the timely receipt of electronic order confirmations and advance ship notices, their customers know the status of every order, shipment, and delivery of service.

### Data validation, not just data exchange.

EDI and e-invoice only networks can help you transmit data electronically, but these solutions have only limited abilities to validate that data. What often results is that you get bad data faster. With its more than 80 user-configurable business rules, the Ariba Network can validate detailed, line-level data on every invoice, eliminating the errors and exceptions that delay processing and drive up costs. By processing invoices through the Ariba Network, only valid invoices will be posted for payment. Invoices with errors or exceptions will be automatically returned to suppliers upon receipt for correction and resubmission.

### Improved compliance of invoices to orders and contracts.

The Ariba Network helps ensure a level of compliance that you just can't achieve with manual processes. These include the ability to drive orders from electronic catalogs, and create electronic invoices from purchase order through a process known as PO-Flip®. You can also improve the management of non-PO invoices by allowing suppliers to build invoices off contracts or service entry sheets to help ensure the same level of compliance as PO invoicing.

## About Ariba, an SAP Company

Ariba is the world's business commerce network. Ariba combines industry-leading cloud-based applications with the world's largest Internet-based trading community to help companies discover and collaborate with a global network of partners. Using the Ariba® Network, businesses of all sizes can connect to their trading partners anywhere, at any time from any application or device to buy, sell and manage their cash more efficiently and effectively than ever before. Companies around the world use the Ariba Network to simplify inter-enterprise commerce and enhance the results that they deliver. Join them at: [www.ariba.com](http://www.ariba.com)

### Improve management of all spend, across all your suppliers.

The high cost and technical challenges associated with custom-built or enterprise portal solutions have been obstacles to e-commerce. The Ariba Network overcomes them, enabling you to automate the management of all your spend: direct, indirect, services, and MRO, with all your suppliers. Many of your suppliers are already active on the Ariba Network, so you can quickly connect with them for e-commerce. Those suppliers not already on the Ariba Network can be enabled quickly and easily using a range of automated supplier enablement tools and connectivity options best suited to their specific level of invoice activity. And for those suppliers that continue to send paper invoices, you can scan and convert them to an electronic format for processing.

### Working capital optimization for both trading partners.

With the ability to process a clean, valid invoice over the Ariba Network in a few days, trading partners can leverage the speed and efficiency to better manage their cash. For buyers, this means expanding early payment discounts and, through better management of payment terms, maintaining or extending their Days Payable Outstanding (DPO). Suppliers have new opportunities to accelerate receivables to improve their Days Sales Outstanding (DSO) while improving their ability to forecast cash flow.

### Opportunity to find trusted business partners.

Through Ariba Discovery, the Ariba Network provides a channel for buyers and sellers to forge new business relationships. Buyers can post projects or publish requests for goods and services on the Ariba Network and receive responses from qualified suppliers within 24 hours. Sellers can leverage the Ariba Network to reach more than 50 percent of Global 2000 companies. They can respond to millions of leads and accessing billions of dollars in potential new business opportunities.

### Strengthened trading partner relationships.

Greater visibility, enhanced connectivity, and improved collaboration all contribute to stronger trading partner relationships. By collaborating over the Ariba Network, buyers and suppliers can streamline their business commerce operations, lower their costs, optimize their working capital, and improve the way they work together.



## Ready to Get Started?

To learn more about how you can gain a business advantage from the Ariba Network, visit <http://www.ariba.com/community/the-ariba-network> or contact your account representative.

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