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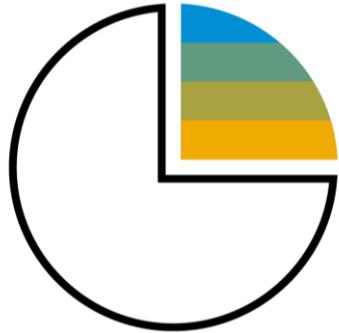
FINANCIAL SUPPLY CHAIN THROUGH SAP ARIBA
Ajain Kuzhimattathil, Sr. Solution Specialist, SAP
83817

About the Speakers

Speaker Name

- Ajain Kuzhimattathil
- Solutions Specialist at SAP Ariba with 17+ years of Commercial Payments and Working Capital expertise
- Aspiring Helicopter Pilot

Source-to-Settle Myths With Payables

- **MYTH 1** - Procure to Pay (P2P) = Procure to OK to Pay (OK2PAY)

- Approved invoice is not just for payment by ERP but used as an Asset for Discounting or Financing
- **PIF file is not a working capital solution**
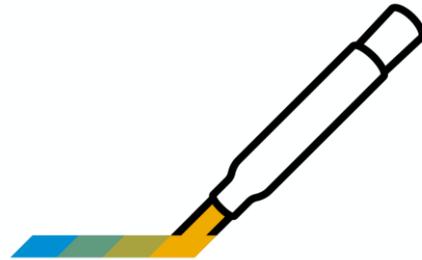
- **MYTH 2** - Invoicing is not that important

- Getting an approved invoice in 5 days is **absolutely the heavy lifting**
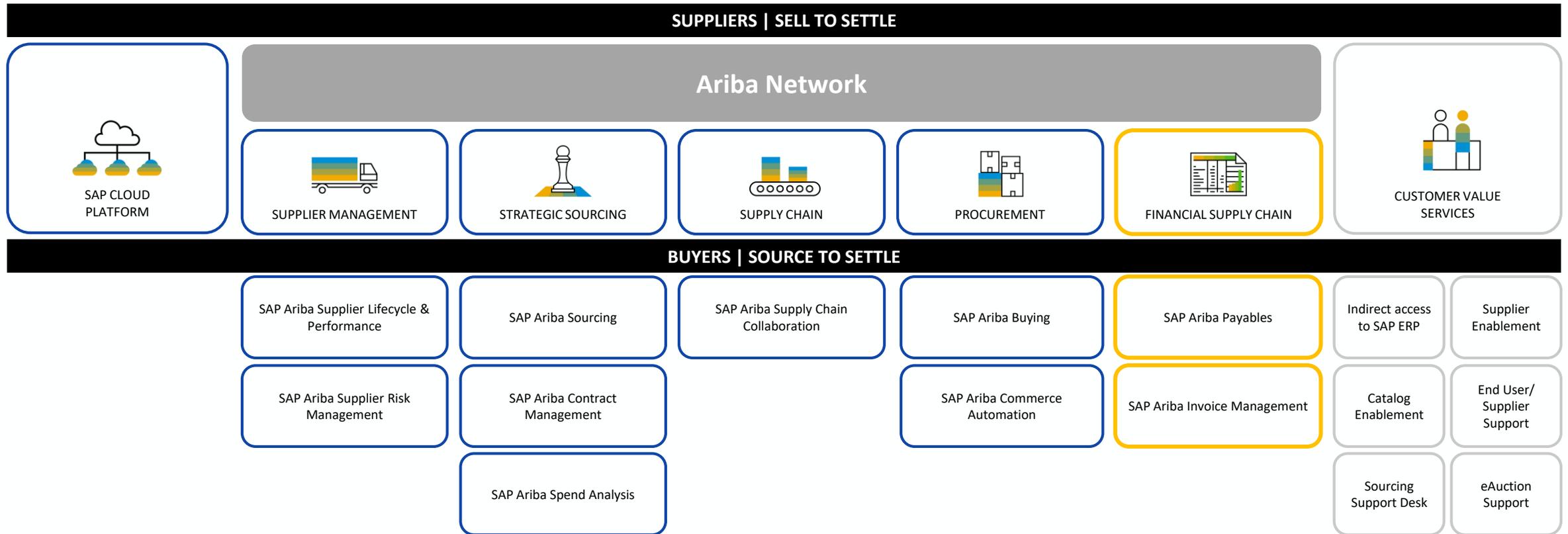- The faster the approval cycle increases the opportunity and ability to Finance
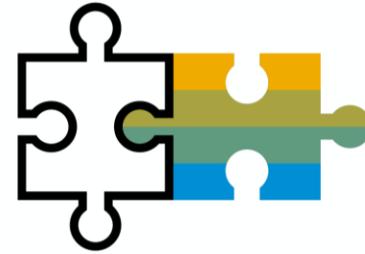
- **MYTH 3** - One solution fits all

- Needs to cater to all suppliers types and be **flexible to accommodate regional requirements** (API for country specific partners)
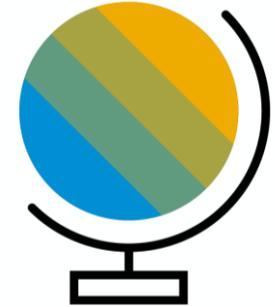
- **MYTH 4** - Payables works everywhere

- Solution needs to support **Legal invoicing and regional financing requirements** (i.e. credit notes for discounting)

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SAP Ariba Solutions

SUPPLIERS | SELL TO SETTLE

Ariba Network

SAP CLOUD PLATFORM	SUPPLIER MANAGEMENT	STRATEGIC SOURCING	SUPPLY CHAIN	PROCUREMENT	FINANCIAL SUPPLY CHAIN	CUSTOMER VALUE SERVICES

BUYERS | SOURCE TO SETTLE

	SAP Ariba Supplier Lifecycle & Performance	SAP Ariba Sourcing	SAP Ariba Supply Chain Collaboration	SAP Ariba Buying	SAP Ariba Payables	Indirect access to SAP ERP	Supplier Enablement
	SAP Ariba Supplier Risk Management	SAP Ariba Contract Management		SAP Ariba Commerce Automation	SAP Ariba Invoice Management	Catalog Enablement	End User/ Supplier Support
		SAP Ariba Spend Analysis				Sourcing Support Desk	eAuction Support

Note: SAP Ariba Procurement Analytics included in all solutions

☐ Products   ☐ Services   ☐ Ariba Network

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SAP Ariba Financial Supply Chain Solution Suite

Support all invoices and funding scenarios, complementing other processes using SAP Ariba solutions

Invoices	**Payments**	**Discounting**	**Supply Chain Finance**
Suppliers issue invoices over the network	Single payment channel to manage ACH, Card and check payments	Supplier agrees to be paid by buyer at prorated discount prior to due date	Supplier sells approved invoices to funder at a discount rate based on buyer's credit worthiness
All spend items All suppliers	**All spend items** All suppliers	**Medium to Large spend items** Small and midsize suppliers	**Larger spend items** Large to midsize suppliers

DISCOVER®

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WHY CLIENTS CARE ABOUT PAYABLES?

CFO and treasurer

Increase in cash flow

12% to 36% risk-free return

Secure bank account management

Chief procurement officer

Economic value add beyond price reduction

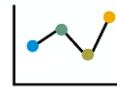Strengthening of supply chain and supplier relationships

Payment visibility for suppliers

CIO

One platform: source to settle

Low total cost of ownership

Nominal change management

Payables enables business objectives

Growth

Build new plants or stores

Innovation

Increase R&D spending

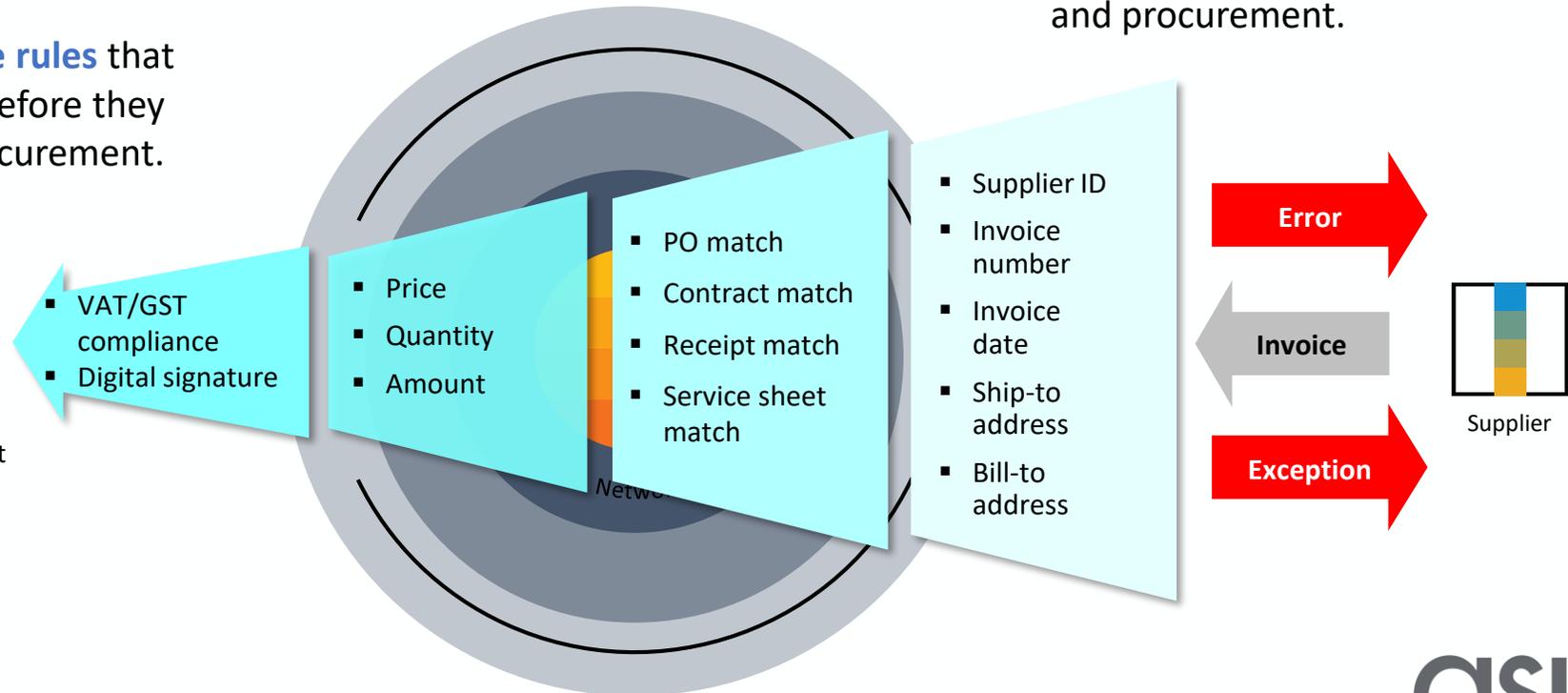**Expansion**

Enter new markets or regions

Financial

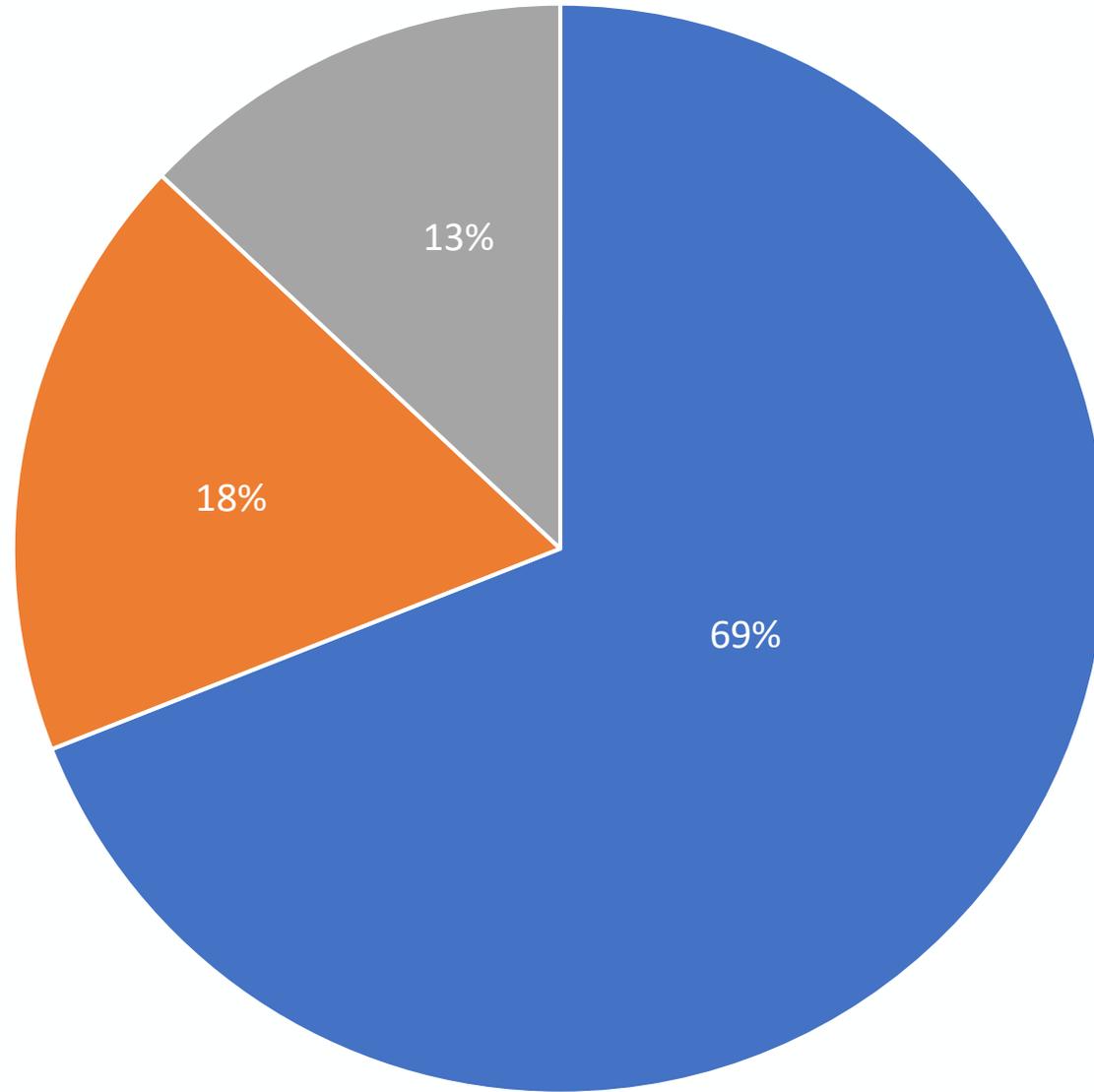M&A, pay down debt, dividends

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Smart Invoicing

The smart-processing approach in **SAP Ariba solutions** drives **touchless invoicing rates of 98%** by eliminating errors and exceptions at the point of supplier submission.

The supplier network provides **real-time access** to PO, invoice, and payment status, eliminating inquiries to accounts payable and procurement.

There are over **100 configurable rules** that capture errors and exceptions before they reach accounts payable and procurement.

Buyer

SAP Ariba Invoice Management

- VAT/GST compliance
- Digital signature

- Price
- Quantity
- Amount

- PO match
- Contract match
- Receipt match
- Service sheet match

- Supplier ID
- Invoice number
- Invoice date
- Ship-to address
- Bill-to address

Error

Invoice

Exception

Supplier

Network

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How often does an organization capture early payment discounts on invoices ?
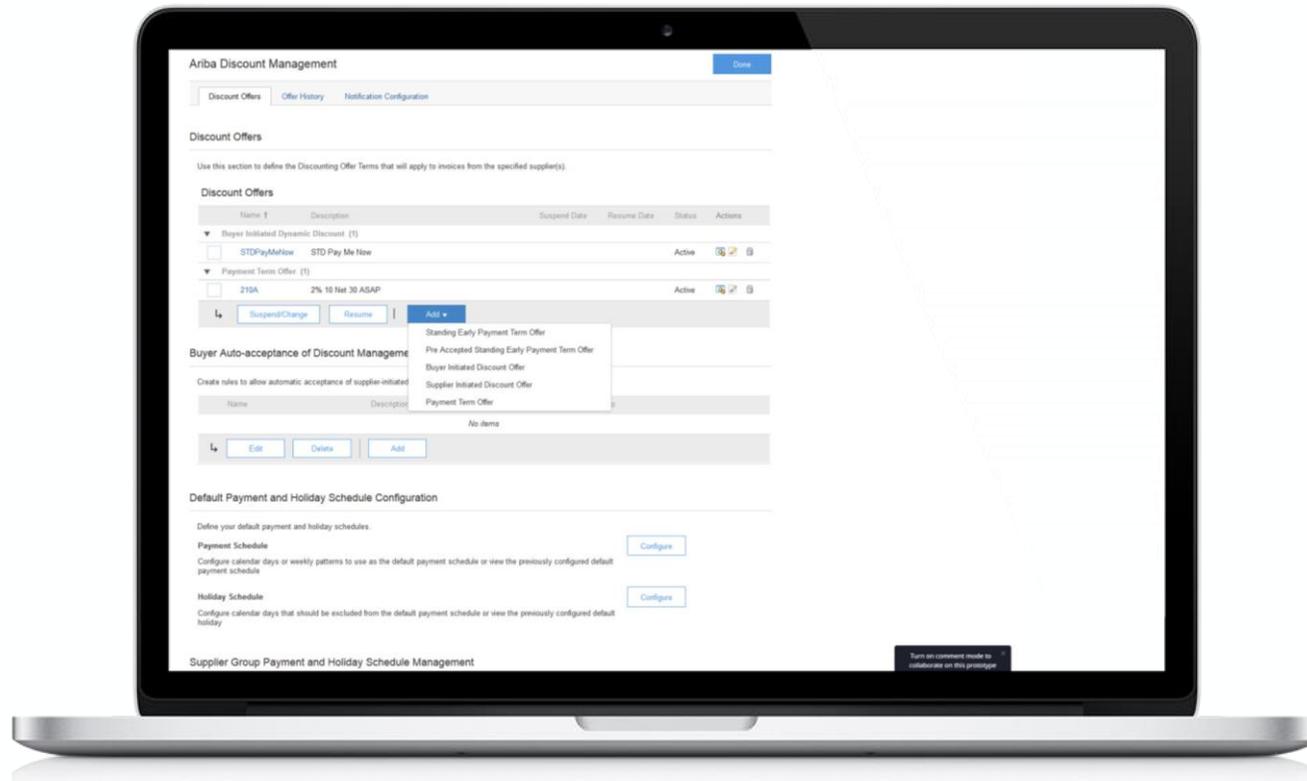
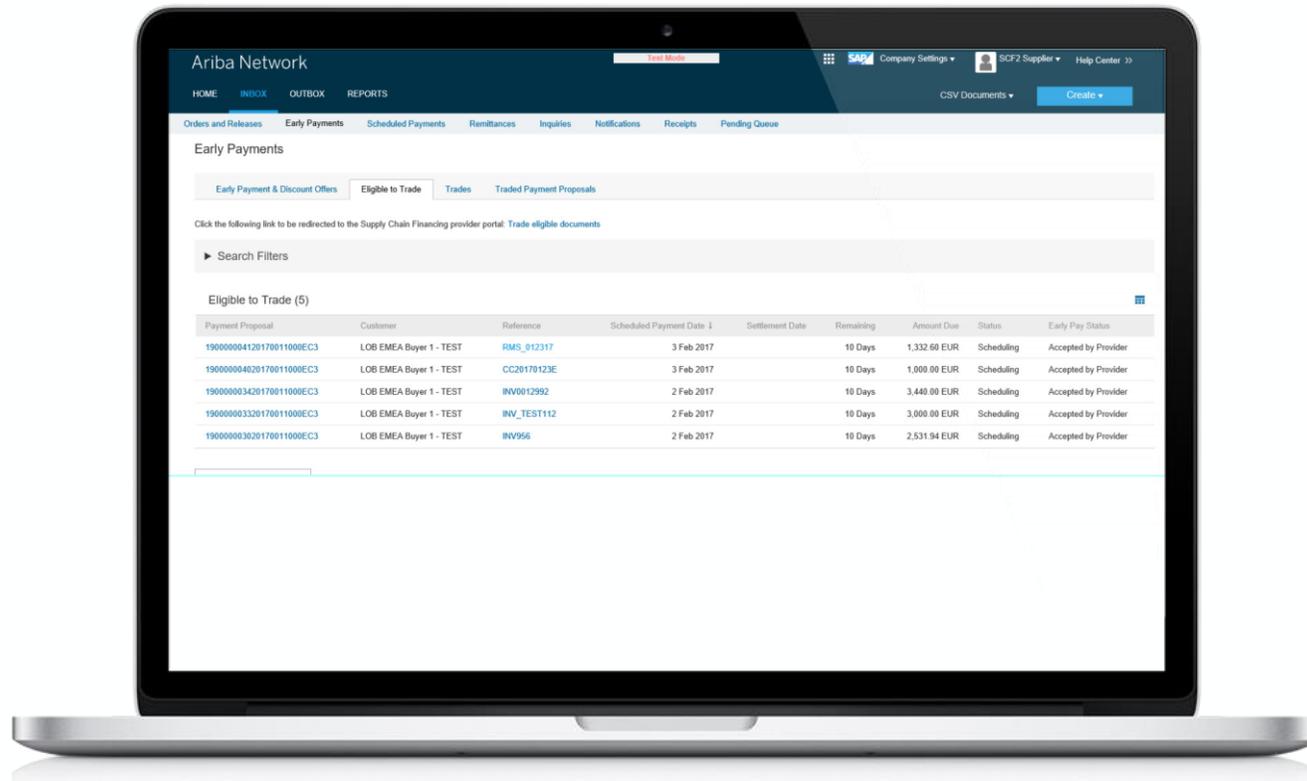**Sometimes** 69% **Always** 18% **Never** 13%

SAP Ariba Payables Dynamic Discounting

Key Features

- Standing early payment terms
- Buyer-initiated dynamic discount
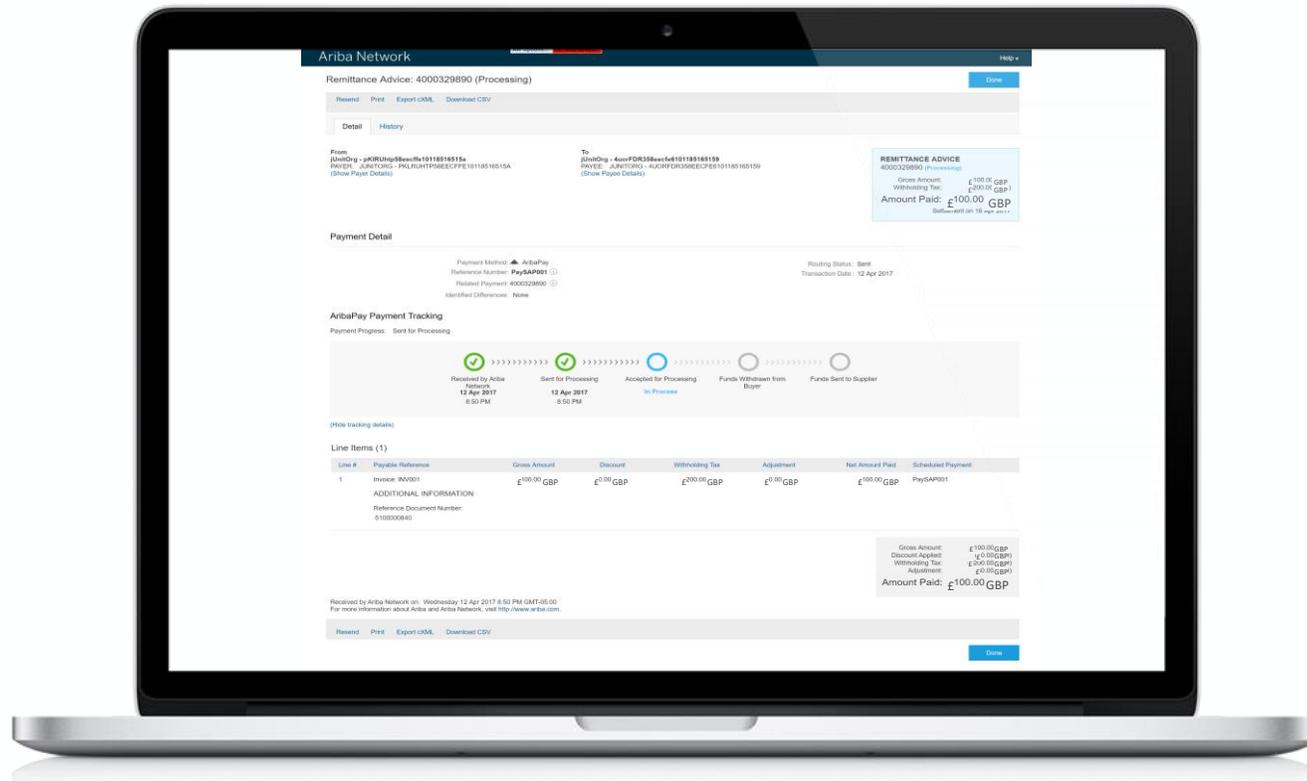- Supplier-initiated dynamic discount
- Reporting

SAP Ariba Payables Supply Chain Finance

Key Features

- Allow buyers to offer third-party financing for suppliers through Ariba Network

- This third-party financing **accelerates payment** of approved invoices

- Suppliers can receive earlier payments and **improve their Days Sales Outstanding (DSO)**

SAP Ariba Payables Payments

- Rich remittance information

- Payment tracking status

- Remittance delivery to suppliers

- Support for payment and remittance information integration to supplier

- Bank transmission and exception alerts
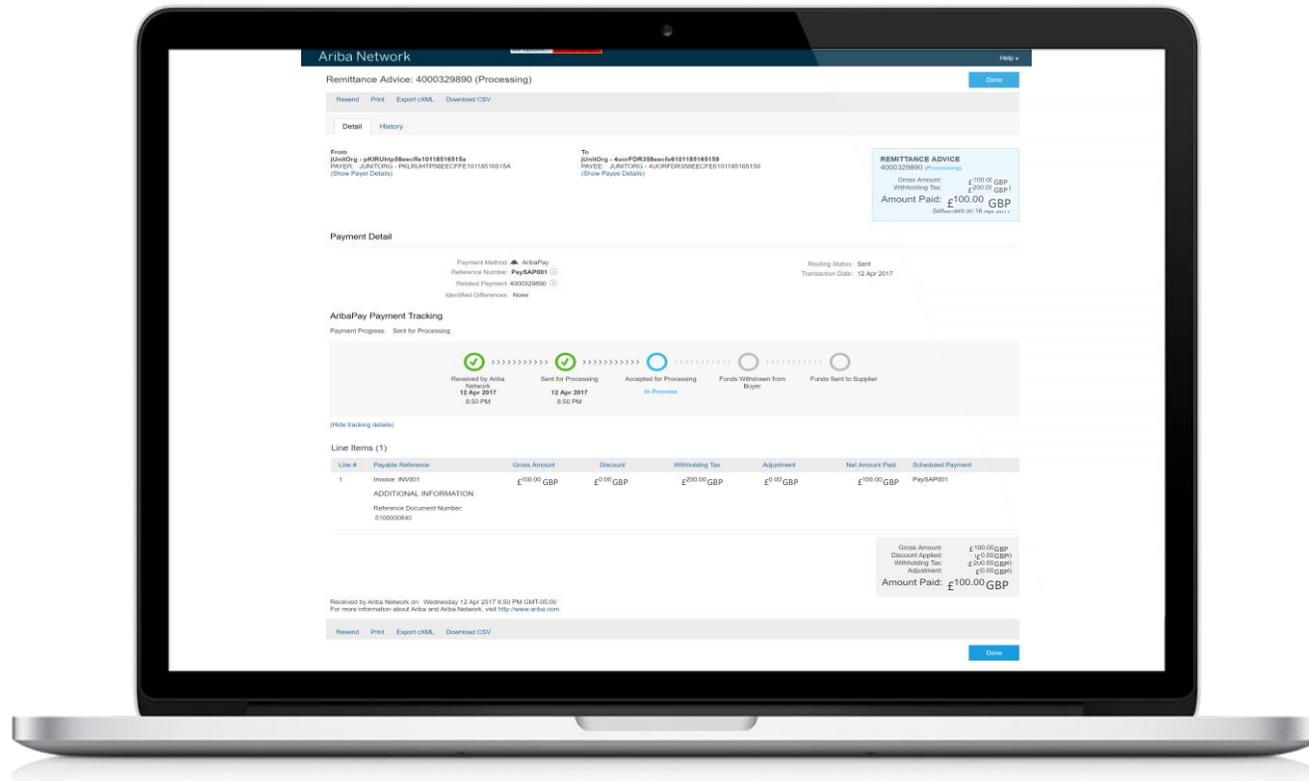
- Matching between remittances and the invoices
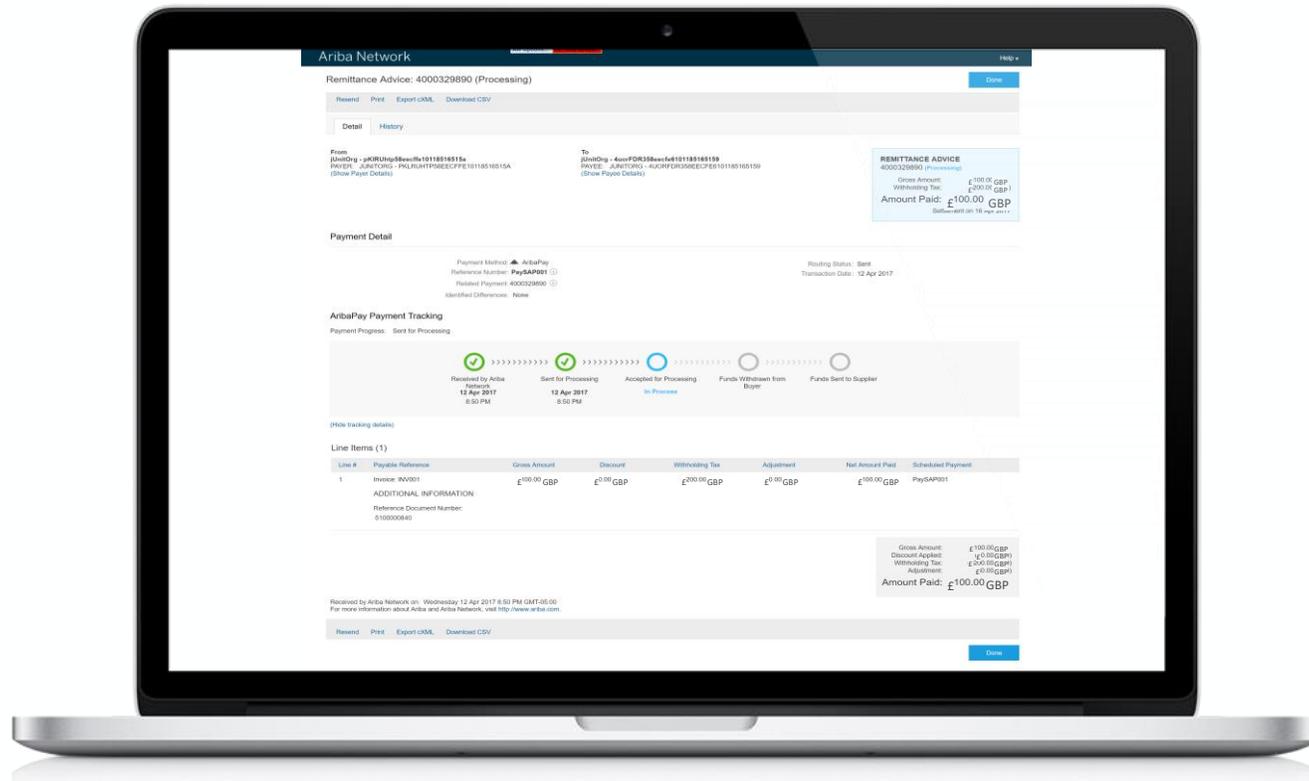
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SAP Ariba Payables Card Payments

- Payments using Single Use Tokens for approved Invoices
- Coming Soon
  - Pay on Purchase orders using Single Use tokens – Coming soon
  - Multiple methods to consume Single Use Card Number
  - Reconciliation support by SAP Ariba

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Q&A

For questions after this session, contact me at ajain.kuzhimattathil@sap.com.

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