Ariba Update

Florian Seebauer, SAP Ariba, April 2016
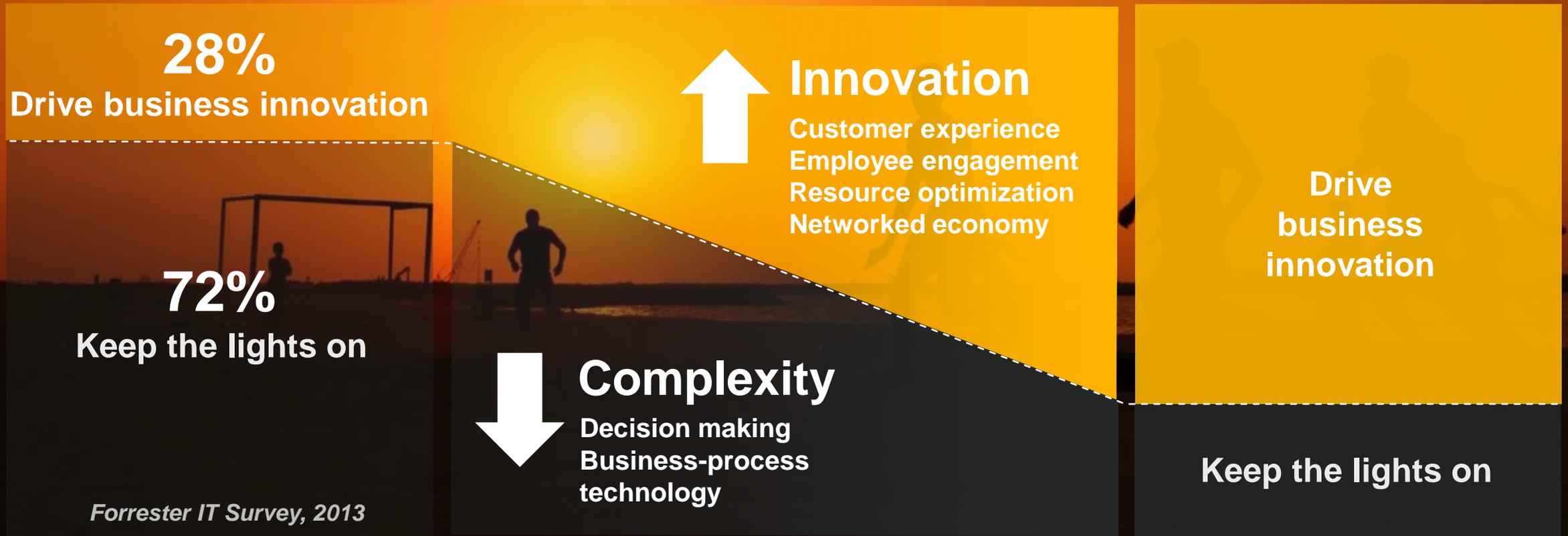
Legal disclaimer

The information in this presentation is confidential and proprietary to SAP and may not be disclosed without the permission of SAP. This presentation is not subject to your license agreement or any other service or subscription agreement with SAP. SAP has no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation and SAP's strategy and possible future developments, products and or platforms directions and functionality are all subject to change and may be changed by SAP at any time for any reason without notice. The information in this document is not a commitment, promise or legal obligation to deliver any material, code or functionality. This document is provided without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. This document is for informational purposes and may not be incorporated into a contract. SAP assumes no responsibility for errors or omissions in this document, except if such damages were caused by SAP´s willful misconduct or gross negligence.

All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.

Cloud and Business Network enable simplification and innovation while freeing up resources

28%
Drive business innovation

72%
Keep the lights on

Forrester IT Survey, 2013

↑ **Innovation**
Customer experience
Employee engagement
Resource optimization
Networked economy

↓ **Complexity**
Decision making
Business-process technology

Drive business innovation

Keep the lights on

Summary of Recent Innovations

Collaborative Supply Chain 3.0

Ariba Visual Renewal - Supplier

Ariba Mobile for Suppliers

Ariba Mobile for Buyers 2.1

Fieldglass Integration

Operational Sourcing

SAP Ariba Release Cadence

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

All Solutions

May Release	Jun Update	Jul Update	Aug Release	Sep Update	Oct Update	Nov Release
• **Q2 Features** • Defect Fixes	• Defect Fixes	• Defect Fixes	• **Q3 Features** • Defect Fixes	• Defect Fixes	• Defect Fixes	• **Q4 Features** • Defect Fixes
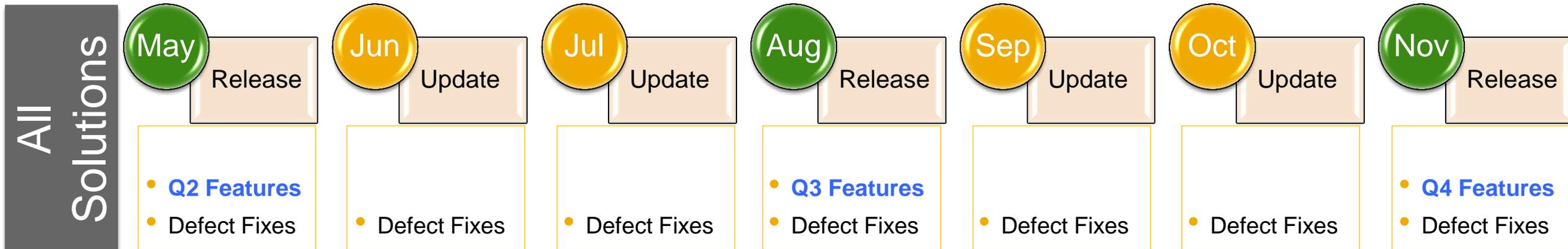
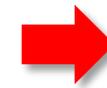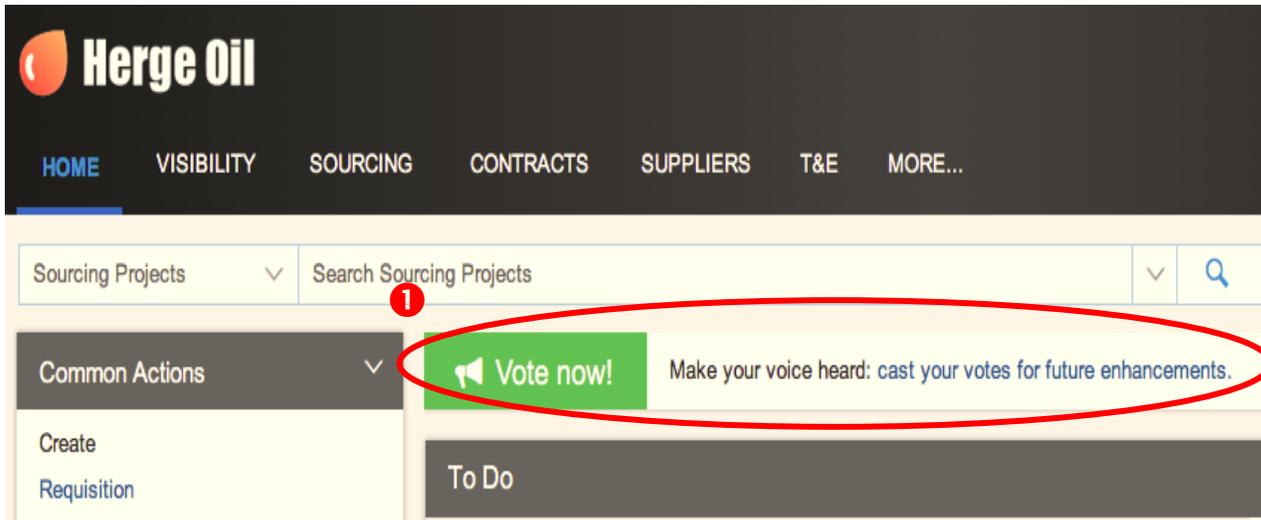# SAP Ariba Supplier Network Visual Refresh

Introducing SAP Ariba Community Voting

- **SAP Ariba Community Voting for SAP Ariba Cloud Procurement & Sourcing Solutions**
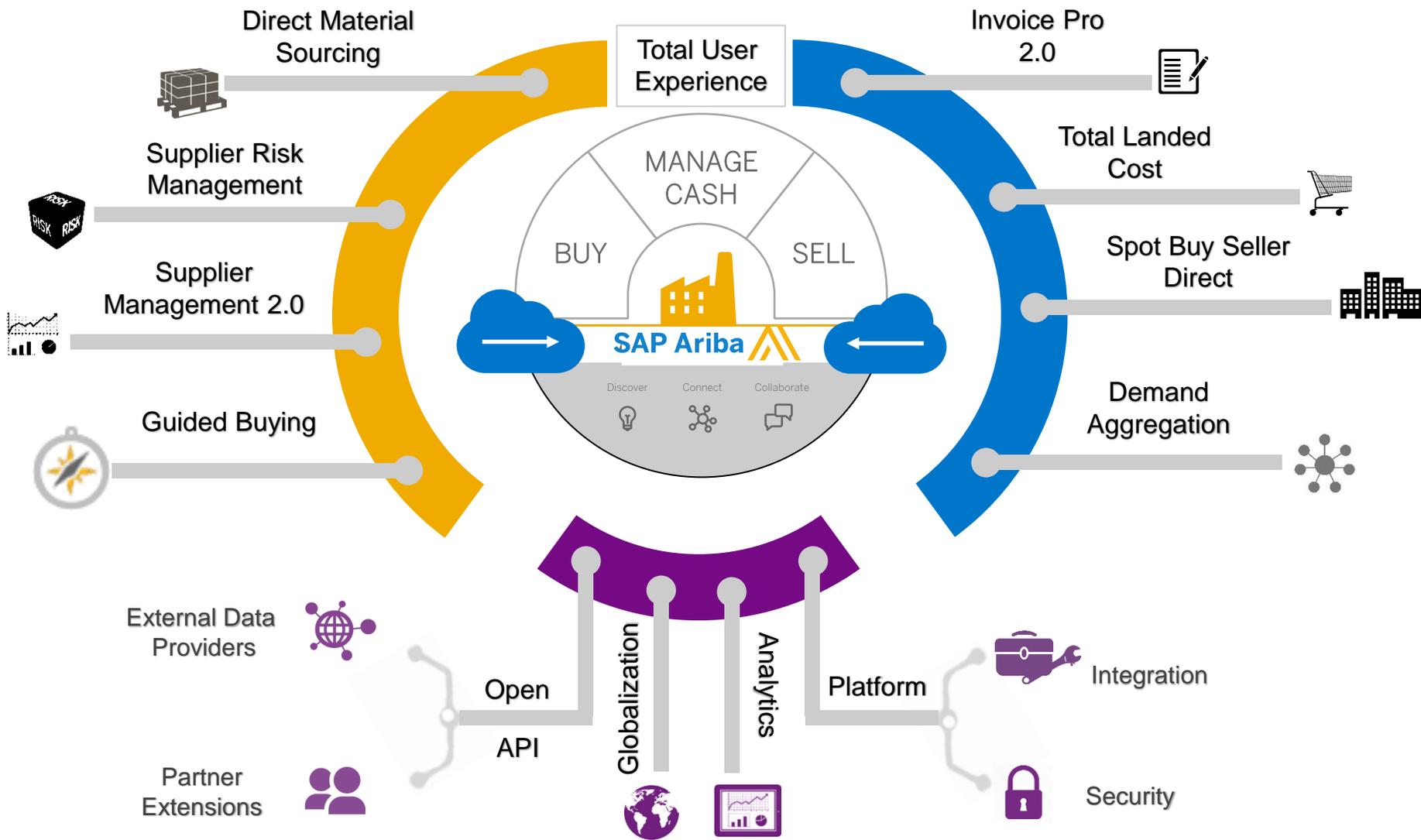 - <u>**Empowers customers and end users**</u> to help drive prioritization for future innovation
  - <u>**Delivers solution-enhancing features**</u> that are important to our community
  - <u>**Voting opened on March 14 and will run through the end of April**</u>, results to be published on Community 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
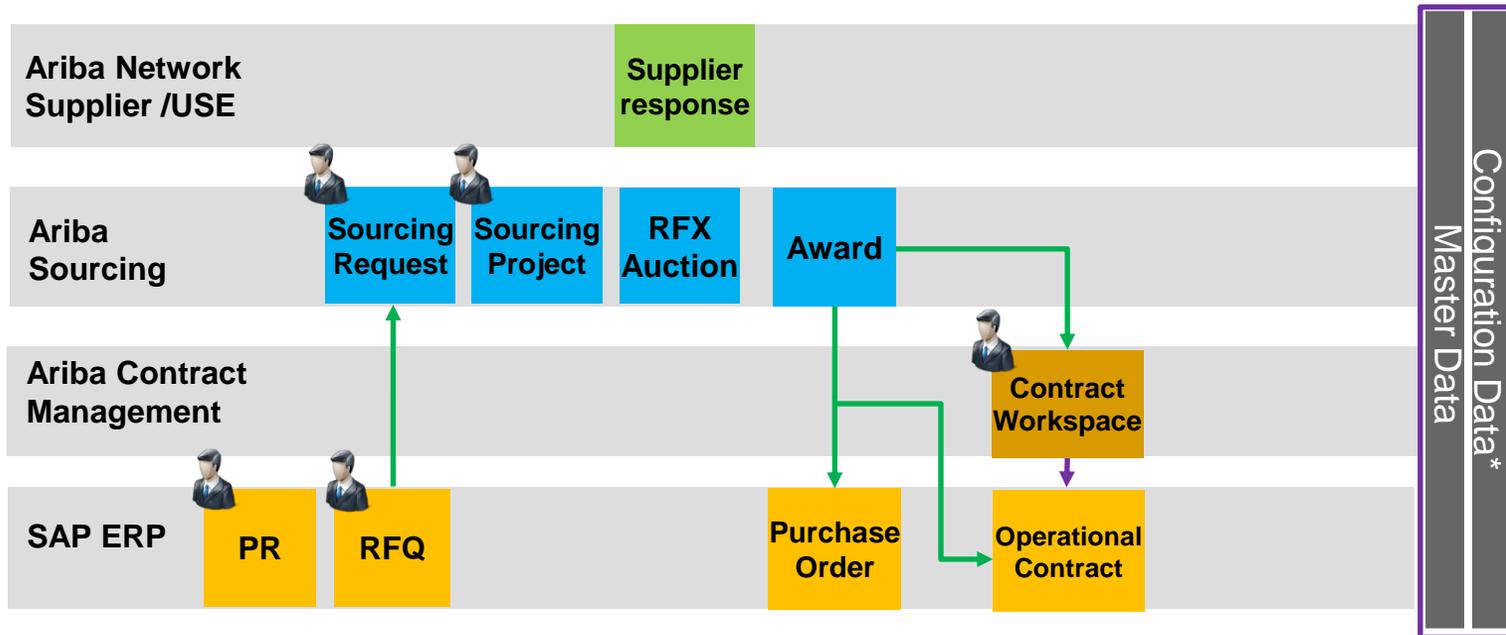
Source-to-Pay Application Suite Roadmap Investment Priorities

Direct Material Sourcing

Supplier Risk Management

Supplier Management 2.0

Guided Buying

Total User Experience

MANAGE CASH

BUY

SELL

SAP Ariba

Discover   Connect   Collaborate

Invoice Pro 2.0

Total Landed Cost

Spot Buy Seller Direct

Demand Aggregation

External Data Providers

Partner Extensions

Open

API

Globalization

Analytics

Platform

Integration

Security

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

SAP Labs preview

Ariba Network Supplier /USE				**Supplier response**		
Ariba Sourcing		**Sourcing Request**	**Sourcing Project**	**RFX Auction**	**Award**	
Ariba Contract Management						**Contract Workspace**
SAP ERP	**PR**	**RFQ**			**Purchase Order**	**Operational Contract**

Configuration Data* Master Data

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:

15s - Master Data Integration

Direct Connectivity
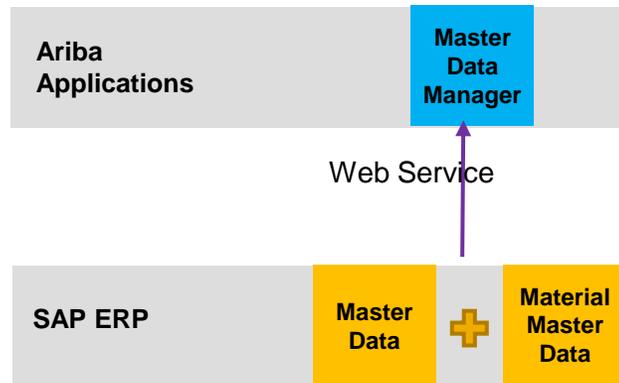
Ariba Applications

Master Data Manager

Web Service

SAP ERP

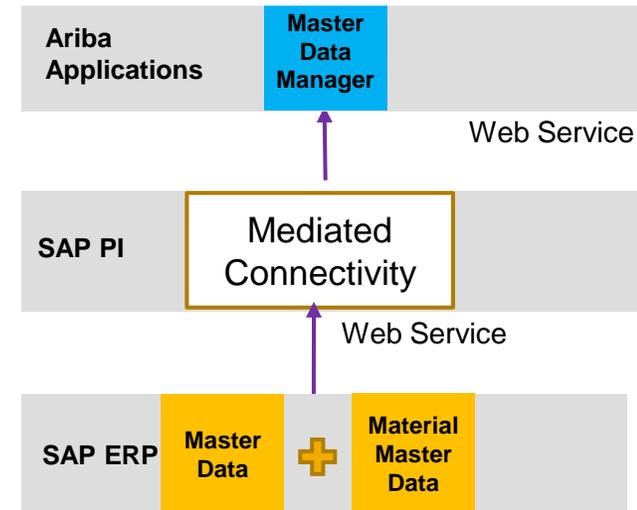**Master Data** ➕ **Material Master Data**

Data is extracted as CSV files in ERP, Compressed to a ZIP file and sent with in a SOAP Message Envelope through Web Service calls directly to the application. No PI involved.

Mediated Connectivity

Ariba Applications

Master Data Manager

Web Service

SAP PI

Mediated Connectivity

Web Service

SAP ERP

Master Data ➕ **Material Master Data**

Data is extracted as CSV files in ERP, compressed to a ZIP file and sent with in a SOAP Message envelope; it is sent via PI as a 'Pass Through'. i.e. there will not be any mapping done in PI.

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
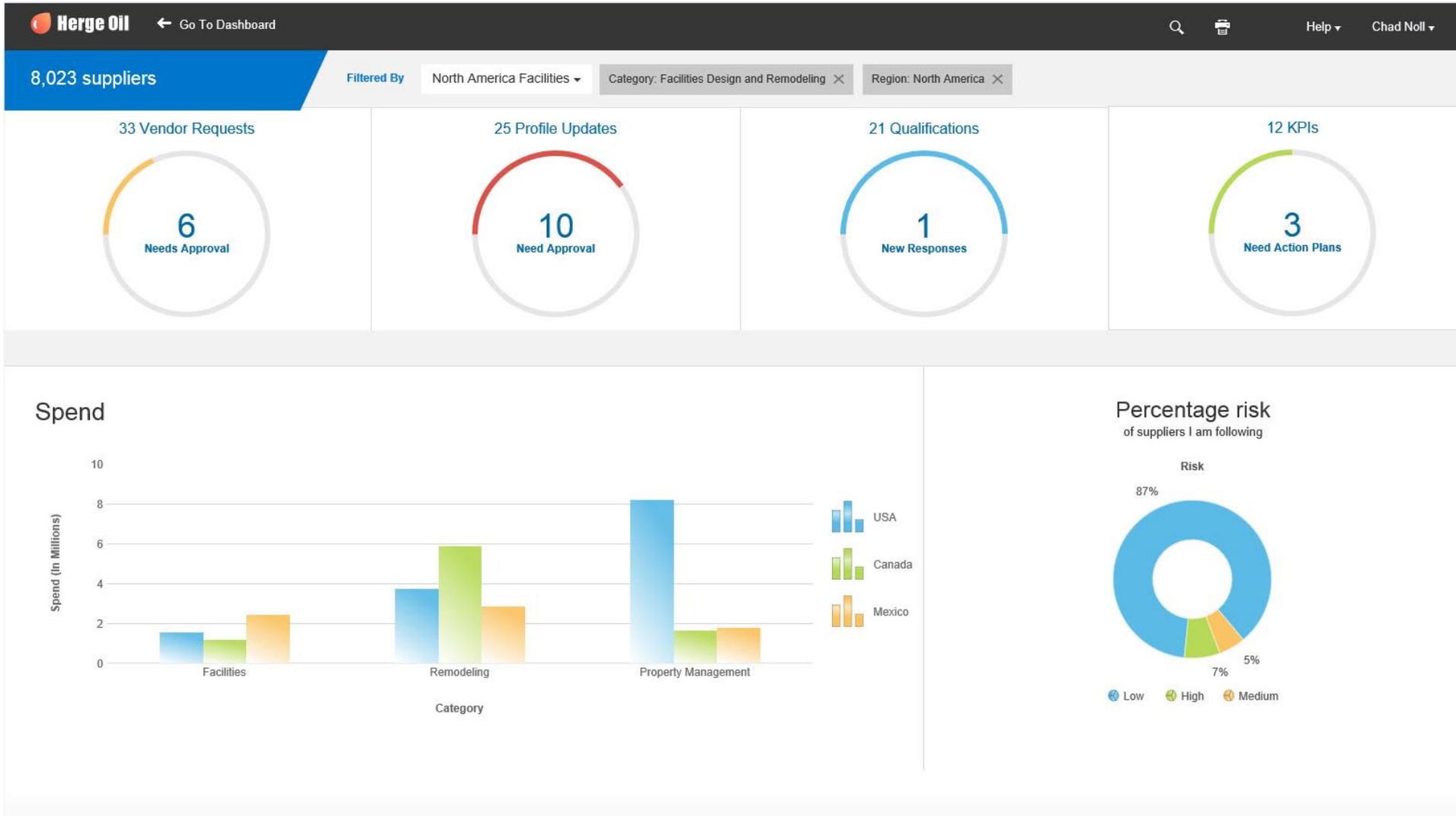
SIPM 2.0 - Key innovation themes and focus 2016

- **Vendor Master in the Cloud**

- **Comprehensive Supplier 360**

- **Scale Supplier Management**

Vendor Master (General Section)	LFA1
Vendor Master (Company Code)	LFB1
Vendor master (VAT registration numbers general section)	LFAS
Vendor master (dunning data)	LFB5
Vendor Master (Bank Details)	LFBK
Vendor master record (withholding tax types) X	LFBW
Vendor master record purchasing organization data	LFM1
Vendor Master Record: Purchasing Data	LFM2
Partner Functions	WYT3

Supplier 360

INTEGRATION

SIPM 2.0 – early mockups

SIPM 2.0 – early mockup

List of suppliers with potential risk
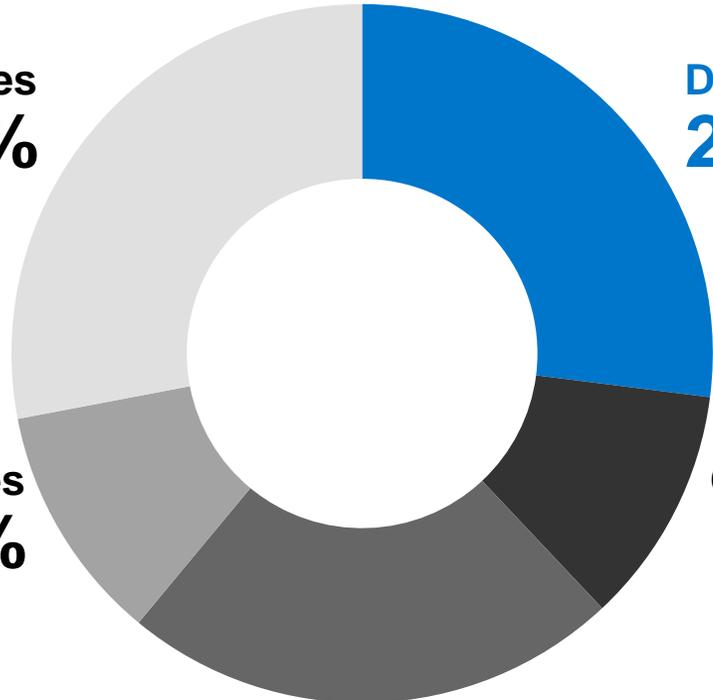
After successfully driving indirect spend under management, procurement leaders are ready to harness direct materials spend

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

Ariba Collaborative Sourcing Professional (Direct Material Sourcing)

Sourcing Professional > **Contract Management Professional** > **Supplier Information & Performance Management**

+

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

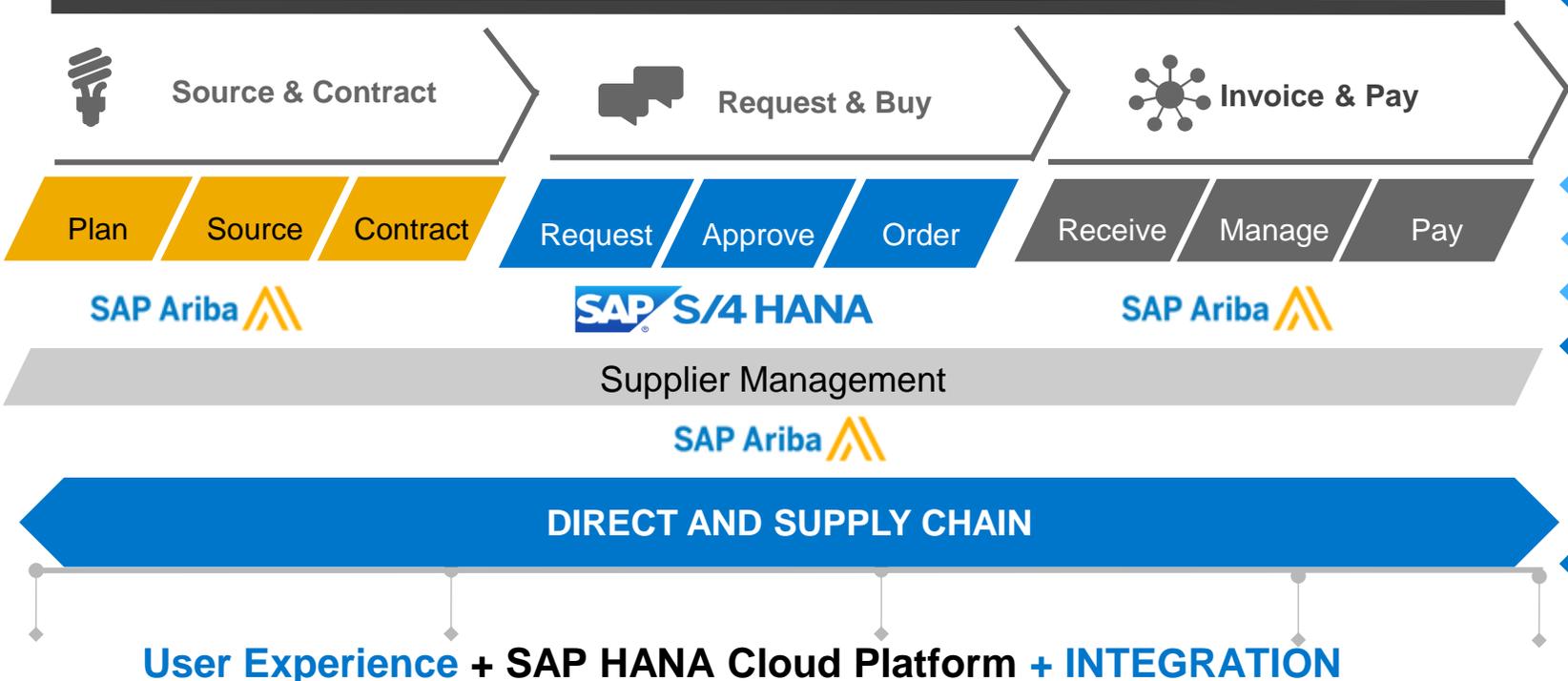**User experience** + SAP HANA Cloud Platform **+ integration** SAP ERP and non-SAP

Direct Materials Procurement

Expanding to Direct Materials provides you with a unique End-to-End Solution for all Spend Categories
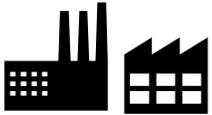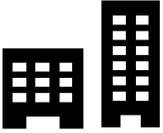
Left side flow labels:
- Forecast/Demand
- Purchase Order/Subcontract Order
- Schedule Agreement Release
- Component Ship Notice
- Component Inventory Data
- Goods Receipt Notice
- Consignment Inventory Status
- Self Billing/ERS Invoice
- Payment

Right side flow labels:
- Forecast Commit
- PO Confirmation
- Component Receipt Notice
- Manufacturing Visibility
- Component Consumption Notice
- Advance Ship Notice
- Invoice

Center process flow:

Source & Contract	Request & Buy	Invoice & Pay
Plan	Source	Contract	Request	Approve	Order	Receive	Manage	Pay

- SAP Ariba
- SAP S/4 HANA
- SAP Ariba

Supplier Management — SAP Ariba

DIRECT AND SUPPLY CHAIN

User Experience + SAP HANA Cloud Platform + INTEGRATION

Spot Buy

Region: EMEA & NAMER only

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
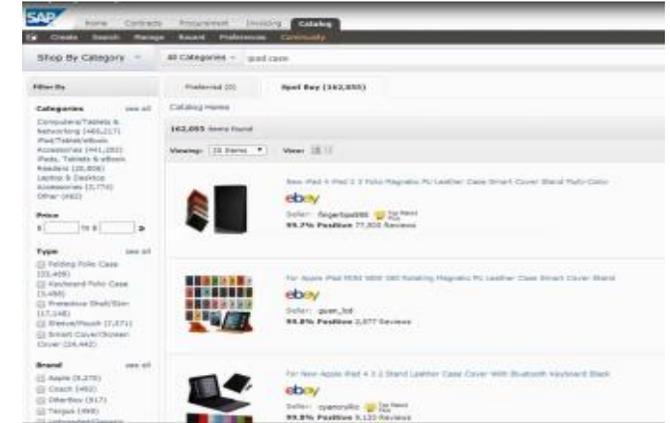
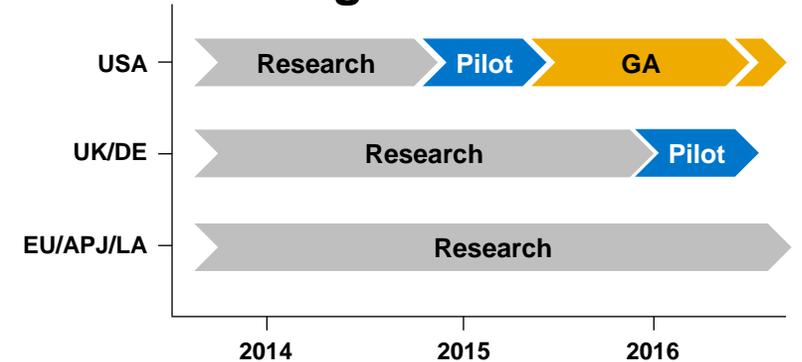| Buyer Pricing	Seller Pricing
No software subscription fees	Standard eBay fees apply
Implementation fees – TBD	Seller Direct model – fees TBD

Timing

USA	Research	Pilot	GA
UK/DE	Research		Pilot
EU/APJ/LA	Research		

2014   2015   2016

- 1H'15 GA with eBay in US

- 1H'16 Pilot in Europe (UK/DE)

Ariba Network Roadmap

BUYER

SUPPLIER

Supply Chain

Payables & Finance

Network 2.0

MANAGE CASH

BUY

SELL

Ariba Network

Discover   Connect   Collaborate

TUX

On-boarding

ConnectOnce

Grow Business

PSN | FSN | Pharma

IoT

Partner Extensions

Open

API

Globalization

Intelligence

Platform

Billing

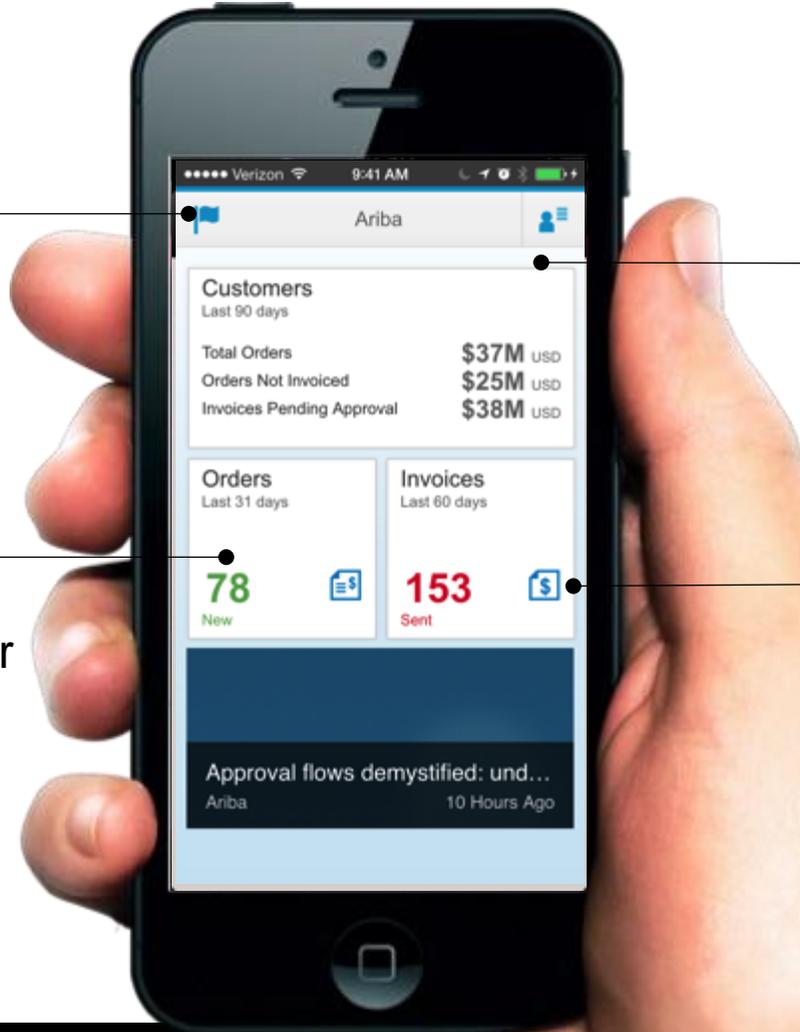Developer Productivity

Security
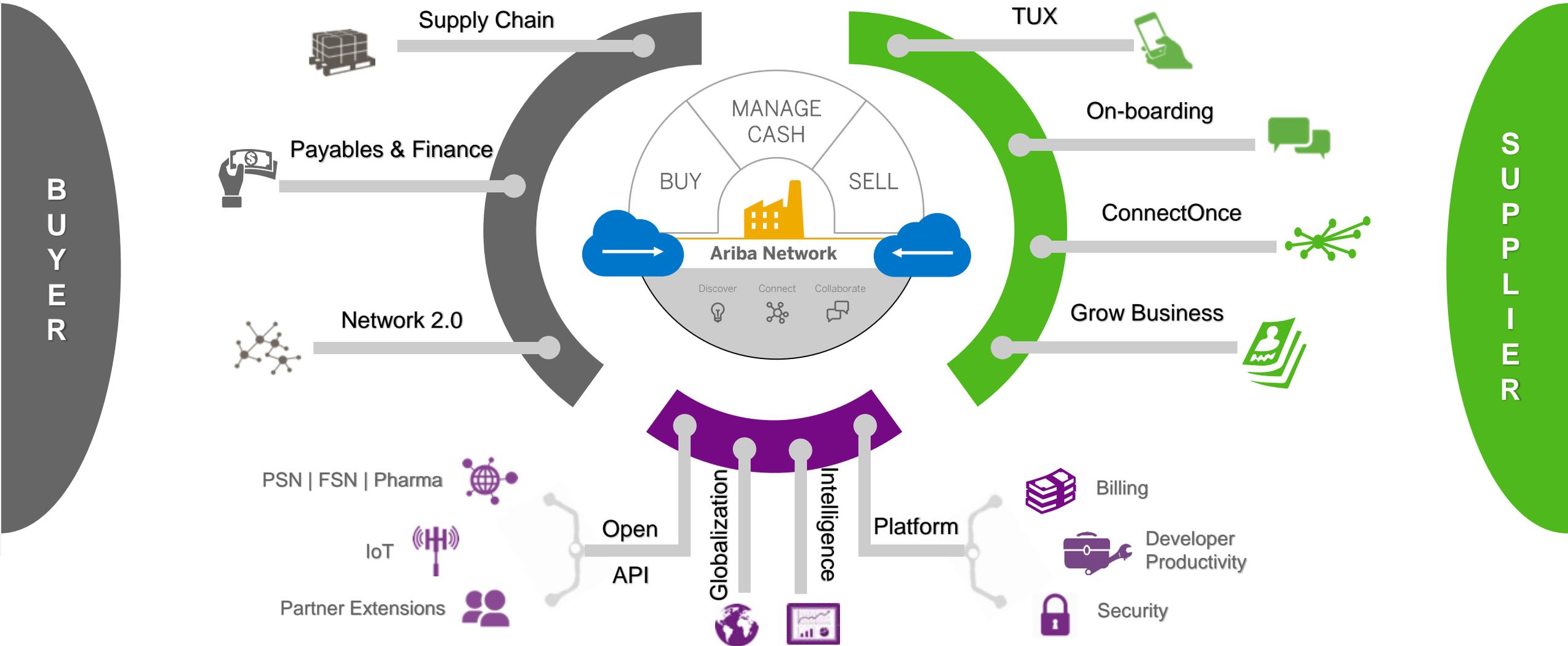
Ariba Network Mobile (Supplier)

Get Real-time Alerts

- Configure push alerts
- Receive notifications
- View network activity

Perform Work on-the-go

- Confirm PO
- Save important documents for later
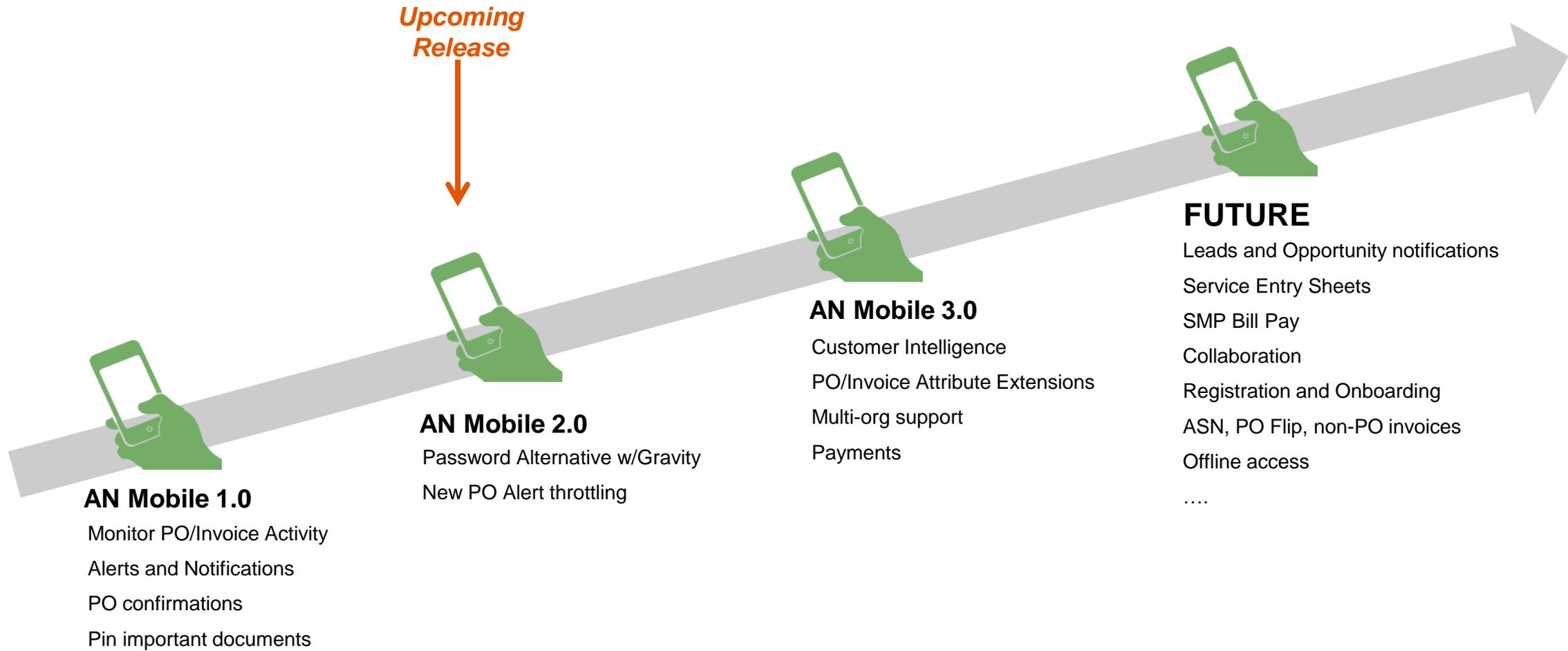

Business Insights

- 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

Upcoming Release

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

….

PLANNED INNOVATIONS

Supply Chain

Value Levels at Each Stage

Better sharing of planning & execution information

More processes enabled

Increased access to intelligence

Upcoming Release

FUTURE

Logistics Collaborations

Customer Collaborations

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

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

CSC 2.0
Outsourced manufacturing and consignment inventory scenarios

CSC 1.0
A basis for direct materials collaboration on execution processes

PLANNED INNOVATIONS

AribaPay. Certain. Secure. Simple.

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

Simple.
- Single interface
- Single debit
- Supplier self-service
- Reduced costs

Buyer

ARIBA An SAP Company | AribaPay

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

Supplier

- Bank information security
- Regulatory compliance
- Fraud elimination
- Efficient funds settlement

Secure.

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

NEW! LIGHT ENABLEMENT

Full **Ariba Network** functionality

Helpdesk & Support

M2M integration

Mobile Portal

Full transaction set

Innovations
AribaPay
Spot Quote
...

$€¥ Crucial for business case

Upgrade by Choice
No compulsion

Interactive email

Free, simple

No Ariba Network registration

Eliminate friction

A 500 Suppliers

B 1500 Suppliers

C 5000 Suppliers

Ariba Network

Business rules

Buyers

Interactive email

Thank you

SAP Ariba ⋀⋀
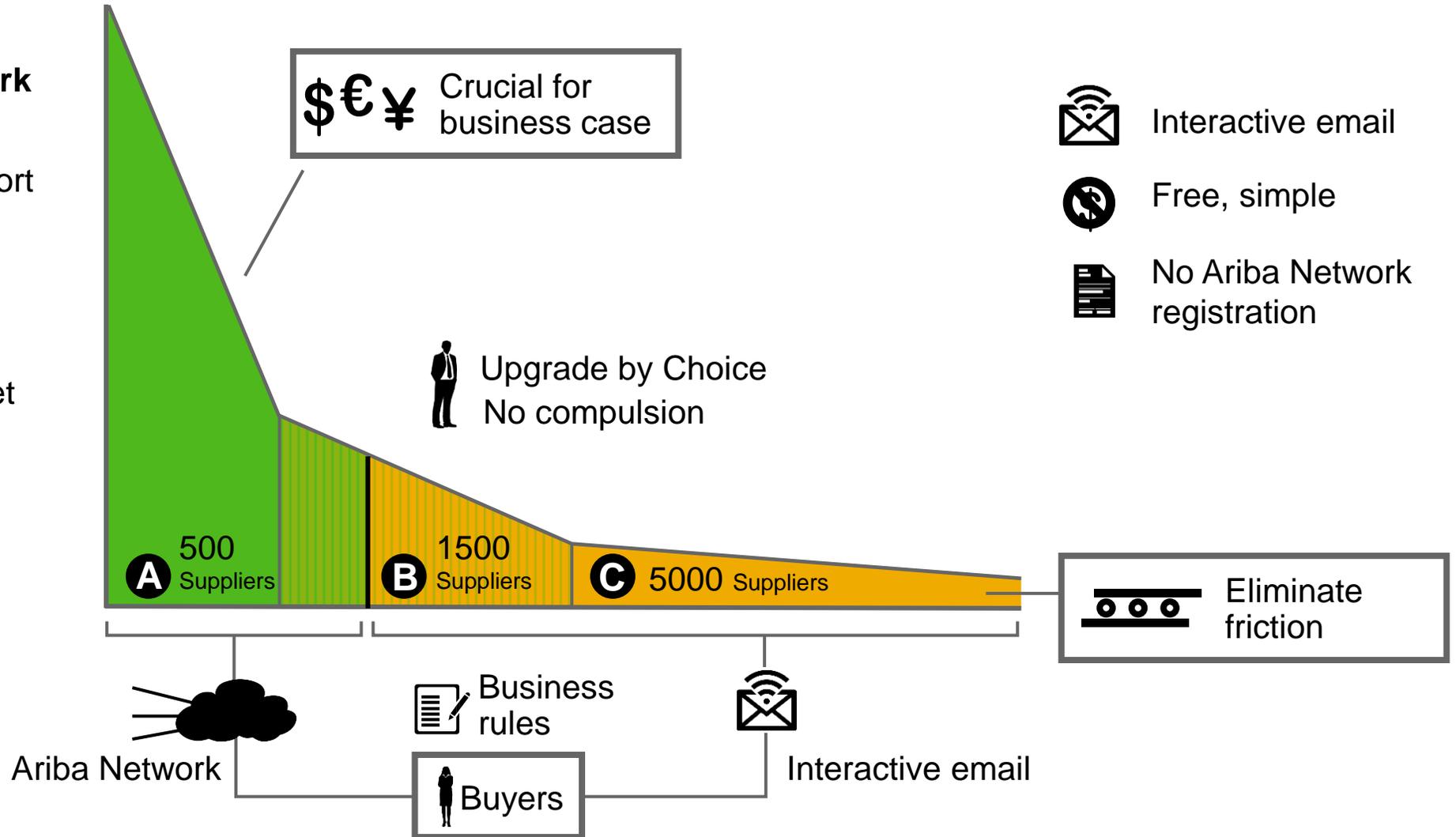
Contact information:

Florian Seebauer
Senior Director, Direct Procurement Solutions
f.seebauer@sap.com

SAP ®

© 2016 SAP SE or an SAP affiliate company. All rights reserved.