Ariba Executive Overview
The Value of Collaborative Commerce
Ariba has become a major player in the market by...

...helping customers lower their costs and increase process efficiency!
Savings Contribute Significantly to the Bottom-Line

- **5% Increase in Sales**: Up to 5%
- **5% Reduction in Spend**: Up to 45%

Net Income Impact

Source: *Enabling Profitable Growth through Procurement: Transforming the Sourcing and Procurement Organization*, an SAP Insight paper by Vanessa C. Smith, Shruti Goel and Tushar Gulhane and published by the ASUG/SAP Benchmarking and Best Practices program
How do we do that?
Spend Management Apps, Ariba Network & Accompanying Services

1) Analyze & Discover
   - Analyze: Spend Visibility, Ariba Discovery
   - Discover: Ariba Discovery

2) Negotiate
   - Plan: Sourcing, Supplier Management
   - Tender / Negotiate
   - Award: Contract Management

3) Sign agreement
   - Contract: Contract Management
   - Capture Pricing Terms: Contract Compliance

4) On-Board and Track
   - Supplier Profile: Supplier Information Mgt
   - Track Performance: Supplier Performance Mgt

5) Publish Catalogs
   - Manage Catalog: Procurement Content

6) Buy items / services
   - Request
   - Approve
   - Receive: Procure to Pay

7) Get Invoiced
   - Process Invoice: Invoice Pro

8) Pay
   - Manage Cash: Discount Pro

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What is Ariba Network?

• Enables collaboration with your trading partners Easier, Better and Faster.

• …and it is the largest Business Network in the world!
The Ariba Network

1 Open
Any Vendors
Any Protocols

Integration Partners

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The Ariba Network

1. **Open**
   - Any Vendors
   - Any Protocols

2. **Comprehensive**
   - All Suppliers, All Collaborative business processes

- **Buy side**
  - SAP
  - Oracle
  - IBM Maximo
  - PeopleSoft
  - JD Edwards
  - Lawson

- **Sell side**
  - AS2
  - HTML
  - cXML
  - Paper
  - CSV
  - Email
  - EDI
  - xCBL
  - Smart PDF

1M+ Companies
The Ariba Network

1. **Open**
   - Any Vendors
   - Any Protocols

2. **Comprehensive**
   - All Suppliers, All Collaborative business processes

3. **Intelligence**
   - Commerce Graph, Real-time, Big Data driven

- **Buy side**
  - Order
  - Invoice Status
  - Remittance Advice
  - Discount Proposal
  - Payment
  - Spot RFQ
  - Order Status Request
  - Service Entry Response
  - Scheduling Agreement
  - Forecast
  - Delivery Instruction
  - Inventory Status
  - Self Billing

- **Sell side**
  - Order Confirmation
  - Catalog
  - Shipment Notice
  - Invoice
  - Discount Acceptance
  - Spot Quote
  - Order Status Response
  - Service Entry Sheet
  - Forecast Response
  - Inventory Status

10 Collaborations – Today
   - Procurement, MRO, Invoicing, Payment

16 Collaborations – 2013
   - Services, Critical MRO, Quotes

23 Collaborations – 2014-15
   - Supply Chain, Logistics, Inventory Management

1M+ Companies
Graph-based Networks

- **a social graph** that connects people with friends and others who work, study and live around them

- **a professional graph** that connects 200 million+ users, allowing them to build and engage with their professional network
Introducing the Commerce Graph

A Commerce Graph maps the business relationships between companies.

Ariba Business Network is fundamentally based on understanding, building, mapping & utilizing the Commerce Graph.
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1) Commerce Graph-aware business applications are inherently more intelligent
2) This will effect the next wave of business productivity and effectiveness
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Network Powered Applications

Ariba Sourcing

- Ariba Data
- Community Data
- Commerce Graph Insights
Next Gen Services Procurement

Manage Services Spend Categories across Temp Labor / Light Industrial, Statement of Work / Consulting, Marketing, Print, Others.

Fully integrated with Sourcing, Contracts, Supplier Management, and backend ERP
Next Gen Services Procurement
Commerce graph insights

What is your target bill rate?

50.00 USD per Hour

We suggest:
$60-$80/hr bill rate

Suggestion based on:
- Current rates on the Ariba Network
- Industry rates in Washington, DC
- Industry rates nationally
The Opportunity: Business Networks facilitate electronic inter-enterprise collaboration between trading partners

Strong business networks can create competitive advantage and help organizations grow top-line and save on the bottom-line simultaneously.¹

| ↓ | 4 -15% | reduction in unit price |
| ___ | ___ | ___ |
| ✓ | 60% | improvement in compliance |
| ⚪ | 4x | increase in process efficiency |
| $ | 20% | improvement in working capital |

(1) Based on Ariba customer engagements and benchmarks

Higher Margins & Positive EPS Impact

"65% of Best in Class companies have the capability to effectively collaborate with their network of suppliers versus only 21% of laggards."

The Value: A winning proposition for buyers and suppliers

Two-sided value proposition
Driving outcomes across your organization and for your suppliers

Your Objectives

**Procurement | Supply Chain**
* Significantly shorten contracting cycle times.
* Significantly grow seller base to discover/consider
* Reduce supply chain costs and risk.
* Gain better visibility and predictability of supply
* Manage working capital.
* Lower manual paper-based collaboration and cost.
* Improve compliance.
* Faster cash-flow through discounts and proper payments in-time.

**Finance | IT**

Suppliers’ Objectives

**Sales & Mktg. | Customer Service**
* Improve payment visibility and timing.
* Lower customer service costs.
* Increase sales.
* Drive higher customer satisfaction.
* Find sales opportunities

**Accounts Receivable | Business Development**

Better Collaboration Leading to Winning Outcomes
### Chemical Industry Presence on Ariba Network

<table>
<thead>
<tr>
<th>PO’s Processed</th>
<th>Invoices Processed</th>
<th>Transaction Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 million +</td>
<td>8 million +</td>
<td>$53 billion +</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Number of Suppliers (Selected categories)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction &amp; Engineering</td>
</tr>
<tr>
<td>Raw materials &amp; Chemicals</td>
</tr>
<tr>
<td>Vehicles, Transportation &amp; Logistics</td>
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Strategic direction for procurement solutions

Many customers are moving their procurement processes to the cloud wherever possible to achieve good ROI and the improved innovation velocity that a true cloud solution delivers.

In response, SAP offers the following guidance:

• Ariba Network should always be incorporated to improve e-commerce, collaboration and business insights whether the solutions are on premise or cloud.

• For new procurement implementations, SAP recommends Ariba cloud procurement solutions as the primary option for our customers.

• SAP will continue to sell, support, and innovate the on-premise procurement solutions for customers who have requirements that are not currently addressed by the cloud solutions.

• SAP will also support hybrid scenarios, enabling customers to enhance and extend their existing investment in on-premise procurement solutions with Ariba cloud solutions.
Hybrid deployment scenarios

Single customer of SAP ECC with no other SAP procurement solutions or on an old release of SAP SRM (<=SAP SRM 5.0)

- Look to leverage and extend that investment with:
  - All Ariba cloud solutions for procurement, including Ariba Network

Customer of SAP SRM 7 with no other SAP procurement solutions

- Look to leverage and extend that investment with:
  - Ariba cloud solutions for spend visibility, sourcing, and contract management
  - Ariba Procurement Content and catalog management
  - Ariba supplier portal and supplier management
  - Ariba Network

Customer of SAP SRM 7 with additional SAP on-premise procurement solutions (like SAP Sourcing and SAP Spend Performance Management)

- Look to leverage and extend that investment with:
  - Ariba Procurement Content and catalog management
  - Ariba supplier portal and supplier management
  - Ariba Network
Recommended Journey

**Beginning Phases**

- **Improve Automation**
  - Connect ERPs to Network for PO to Invoice processes
  - 80% electronic
  - 98% touchless
  - 60-80% process cost reduction

- **Improve Discount Savings**
  - Optimize Pay Terms – take advantage of Dynamic Discounting
  - $2-3M savings per £1 billion targeted
  - 24%+ annualized rate of return on cash
  - 25% of targeted suppliers participating

**Future Phases**

- **Improve Sourcing**
  - Enrich, rationalize and identify sourcing opportunities to drive down costs
  - 30% decrease in sourcing cycle time
  - RFX creation and management
  - Identify and qualify suppliers, negotiate best-value agreements
  - Implement supplier agreements, track savings, and manage supplier performance

- **Improve Procurement**
  - Increase Catalogs – Materials & Services
  - Enable Supplier Self Service of content
  - Increase compliance during transaction process – materials & services (POs and Invoice against Contracts)
  - Eliminate over-spending from contract rates

- **Improve Supplier Management**
  - Manage the entire supplier life cycle from discovery to on-boarding to risk and performance management
  - Unify supplier profiles across the company
  - Determine if suppliers deliver on contract
  - Have fact-based conversations with suppliers regarding performance
  - 85% reduction in supplier management costs

**Future Phases**
Thank You!

For More Information

Wednesday Ariba Sessions

- **12:00 – eCommerce Roundtable** – Bring your lunch to the cafeteria for an open discussion of issues in collaborating with business partners
  - ZsaNell Smith, Thaisa Laverty, FMC

- **1:00 - FMC eProcure – Cost Efficient Services via Technology-Driven Processes**
  - ZsaNell Smith, Thaisa Laverty, FMC

- **1:45 - Data Enrichment in Spend Visibility**
  - Tony Verheggen, Air Products

- **2:30 - Ariba from a Suppliers Perspective**
  - Tim Quesenberry, VWR

- Go to
  - [SAP Chemicals Community](http://scn.sap.com/community/chemicals)
  - [Ariba Community](http://scn.sap.com/community/chemicals)

Talk to SAP Solution Management

- **Ashish Ahluwalia**, VP Solutions Management – Business Network

- **Monica Gassmann**, Solution Manager, Industry Business Solutions - Chemicals

- **Lauren McCallum**, Solution Manager, Industry Business Solutions - Chemicals