



SAP Ariba 

# Feature at a Glance

## Early Payment Limit By Paying Company

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CONFIDENTIAL

# Feature at a Glance

Ease of implementation

Low touch / simple

Geographic relevance

Global

## Introducing: Early Payment Limit By Paying Company

### Customer challenge

- Buyers do not have unlimited cash available to support early payments
- Treasury must establish limits to maintain the stability of their working capital position
- The ability for Treasury to maintain currency balances varies greatly by currency
- Buyers require business controls to ensure Treasury's ability or willingness to pay early is not exceeded

### Meet that challenge with SAP Ariba

- Buyer can specify monthly payment limits by currency by paying and company code for all buyer initiated discount offers.
- Once the aggregated scheduled payments exceeds the limit, Ariba Network prevents suppliers from requesting payment on a date that falls in a month for which the sum of scheduled payments exceeds the limit
- Reporting and alerts help buyer to understand usage and manage the limits

### Experience key benefits

- Better business controls to maintain stability of days payable outstanding
- Buyer sets expectations up front with supplier rather than withdrawing offers prior to payment run
- Manual effort to establish of blackout periods at month-end eliminated and automated
- Allows buyers operating in multiple countries or with multiple business units to better control their cash supply when giving supplier discounts

### Solution area

- Ariba Network
- SAP Ariba Discount Management

### Implementation information

This feature is **automatically on** for all customers with the applicable solutions but requires customer configuration.

### Prerequisites and Restrictions

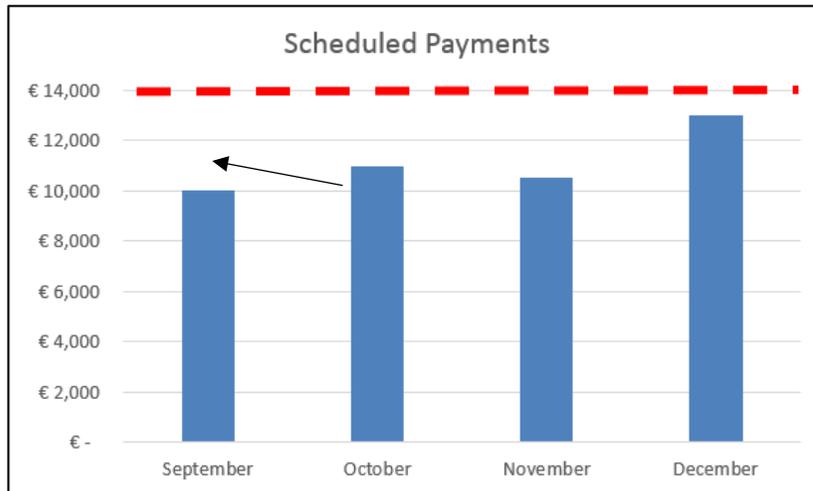
- Requires SAP Ariba Discount Management
- Enforcement of the business control only applies to buyer-initiated discounts. Aggregation applies to all scheduled payments
- Accumulation against the limit begins once a limit is configured, not retro-active for prior months
- Supplier-initiated discounts have an alternative business control approval by buyer per transaction, and are out of scope
- Buyers model 2% 10 Net 30 terms with sliding scale with expected payment on 10th day. The reduced rate after the 10 day will not negatively impact DPO, so Ariba will not apply limits to standing payment terms and payment term offers
- Limits apply to calendar months not the buyer fiscal calendar

# Feature at a Glance

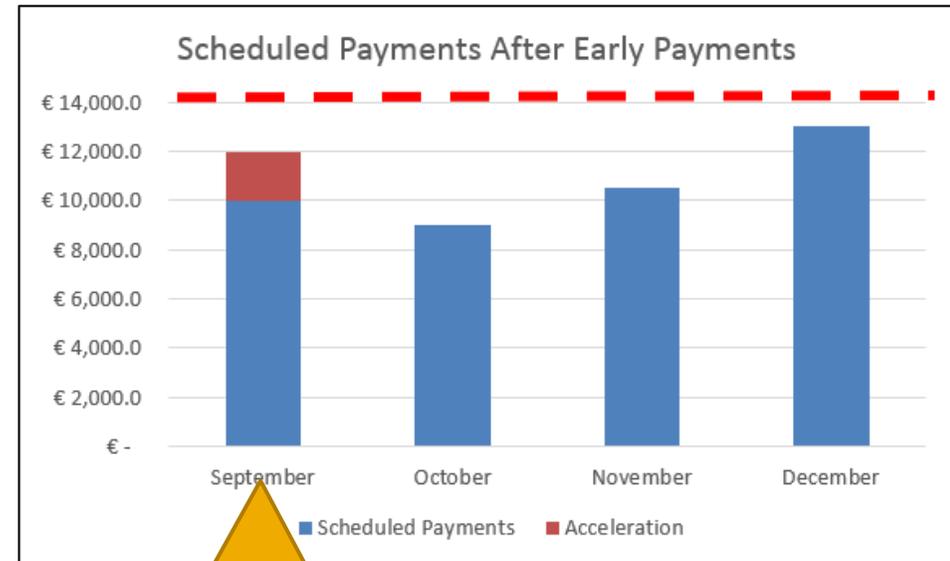
## Introducing: Early Payment Limit By Paying Company

### Detailed feature information

Buyers do not have unlimited cash and can only issue so much cash per day, month, or quarter. Treasury must establish limits to maintain the stability of their working capital position. Buyers require business controls to ensure Treasury's ability or willingness to pay early is not exceeded. Ariba Network's early payment limit functionality has now been enhanced allowing buyers to specify limits by currency and paying company code.



Payments schedule for October shift to September



If the payment volume for September exceeds 14M Euro limit, DPO may be impacted

# Feature at a Glance

## Buyer Configuration: Early Payment Limit By Paying Company

**Configuration** Done

Review and update company settings such as contact information, preferences, system notifications, and payment settings. Select any list below.

- Personal Information
- Locale Settings
- cXML Setup
- Cloud Integration Gateway Setup
- Company Profile
- Company Business Information
- Upload Company Logo
- Extended Profile Settings and Information
- Additional Information
- Notifications
- Default Transaction Rules
- Currency Precision and Rounding
- Country-based Invoice Rules
- Supplier Self-Nomination
- Payment Profile
- Ariba Discount Management
- Catalog Validation Preferences
- Document Number Preferences
- Payment Integration Toolkit
- Tax Adjustment Configuration
- Early Payment Limits** 1
- Manage Business Units
- Supply Chain Financing Enablement
- API Client ID Configuration

**Early payment limits** Done

Configure early payment limits in currency

Add early payment limit

**Early payment limits**

	Currency Code ↑	Currency Name	Paying Company Code	Cash Limit	Notification Threshold(%)	Period
<input type="radio"/>	AUD	Australian Dollar	All	1,000.00	25	Monthly
<input type="radio"/>	USD	US Dollar	USD2	50.00	90	Monthly
<input type="radio"/>	USD	US Dollar	All	20,000.00	90	Monthly

Edit

**Add an early payment limits**

**Once the aggregated schedule payment volume limit is crossed, buyer warned via notification**

## Feature at a Glance

### Buyer Configuration: **Early Payment Limit By Paying Company**

The screenshot shows a configuration dialog box titled "AW Options..." with a "FULL PAGE REFRESH!" button. The dialog is for "Ariba Network" and contains the following fields:

- Currency: \* Euro (with a "Select Currency" button)
- Paying Company Code: EU01 (with an information icon)
- Cash Limit: \* 1,000.00 (with an information icon)
- Notification Threshold(%): \* 25 (with an information icon)
- Period: \* Monthly (with a dropdown arrow)

There are "OK" and "Cancel" buttons at the top and bottom of the dialog. A yellow callout box points to the "Paying Company Code" field with the text: "Leave paying company code blank to establish a limit that applies to all companies".

# Feature at a Glance

## Buyer Configuration: Early Payment Limit By Paying Company

The screenshot shows the SAP Ariba Network Configuration page. The top navigation bar includes the SAP logo, 'Ariba Network', and a 'FULL PAGE REFRESH!' button. The main content area is titled 'Configuration' and contains a list of settings categories. A 'Done' button is located in the top right corner of the configuration area.

- Personal Information
- Locale Settings
- cXML Setup
- Cloud Integration Gateway Setup
- Company Profile
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- Ariba Discount Management
- Catalog Validation Preferences
- Document Number Preferences
- Payment Integration Toolkit
- Tax Adjustment Configuration
- Early Payment Limits
- Manage Business Units

Payment Cash Limit notification

The screenshot shows the SAP Ariba Network Notifications configuration page. The top navigation bar includes the 'Ariba Network' logo and a 'FULL PAGE REFRESH!' button. The main content area is titled 'Notifications' and contains a list of notification settings. A 'Save' button is located in the top right corner of the notification area. The 'Payment Cash Limit' notification is highlighted with a red box.

Notification	Send a notification when used cash amount is approaching configured payment cash limit.	*
Payment Cash Limit	<input checked="" type="checkbox"/>	chris.chase@sap.com

# Feature at a Glance

## Supplier Experience: Early Payment Limit By Paying Company

Early Payments

► Search Filters

Early Payment Discounts Offered

- Before November Limit being exceeded
- Earliest possible settlement date is in September

<input type="checkbox"/>	Payment ID	Invoice	Due Date ↓	Projected Settlement Date	↑Remaining	Invoice Amount	Discount Basis	**Discount Percent	**Discount	Adjustment (Tax)	**Net Payment
<input type="checkbox"/>	63000001610	INV1610	31 Dec 2019	30 Nov 2019	32 Days	100.00 AED	100.00 AED	2.12%	2.12 AED		97.88 AED
<input type="checkbox"/>	63000001611	INV1611	31 Dec 2019	30 Nov 2019	32 Days	100.00 AED	100.00 AED	2.12%	2.12 AED		97.88 AED

[Review/Accept Early Payment Offer](#) | [Use Cash Optimizer](#)

Early Payment Discounts Offered

- After to September Limit being exceeded
- Earliest possible settlement date is in December

<input type="checkbox"/>	Payment ID	Invoice	Due Date ↓	Projected Settlement Date	↑Remaining	Invoice Amount	Discount Basis	**Discount Percent	**Discount	Adjustment (Tax)	**Net Payment
<input type="checkbox"/>	63000001610	INV1610	31 Dec 2019	2 Dec 2019	32 Days	100.00 AED	100.00 AED	1.99%	1.99 AED		98.01 AED
<input type="checkbox"/>	63000001611	INV1611	31 Dec 2019	2 Dec 2019	32 Days	100.00 AED	100.00 AED	1.99%	1.99 AED		98.01 AED

[Review/Accept Early Payment Offer](#) | [Use Cash Optimizer](#)

# Feature at a Glance

## Supplier Experience: Early Payment Limit By Paying Company

Detail | **Payment History** | History

**Payment Information**

Scheduled Payment Date: 31 Dec 2019  
Payment Method: ACH  
Invoice ID: INV1610  
Discount Basis: 100.00 AED  
Paying Company Code: UAO1

**Discount Information**

Select the date on which you want to be paid

	Payment Date ↑	Settlement Date	Scheduled Payment Date	Discount%	Amount	Settlement Amount
<input type="radio"/>	1 Dec 2019	2 Dec 2019	31 Dec 2019	1.99	1.99 AED	98.01 AED
<input type="radio"/>	2 Dec 2019	3 Dec 2019	31 Dec 2019	1.92	1.92 AED	98.08 AED
<input type="radio"/>	3 Dec 2019	4 Dec 2019	31 Dec 2019	1.85	1.85 AED	98.15 AED
<input type="radio"/>	4 Dec 2019	5 Dec 2019	31 Dec 2019	1.78	1.78 AED	98.22 AED
<input type="radio"/>	5 Dec 2019	6 Dec 2019	31 Dec 2019	1.71	1.71 AED	98.29 AED
<input type="radio"/>	6 Dec 2019	7 Dec 2019	31 Dec 2019	1.64	1.64 AED	98.36 AED
<input type="radio"/>	7 Dec 2019	8 Dec 2019	31 Dec 2019	1.58	1.58 AED	98.42 AED
<input type="radio"/>	8 Dec 2019	9 Dec 2019	31 Dec 2019	1.51	1.51 AED	98.49 AED
<input type="radio"/>	9 Dec 2019	10 Dec 2019	31 Dec 2019	1.44	1.44 AED	98.56 AED
<input type="radio"/>	10 Dec 2019	11 Dec 2019	31 Dec 2019	1.37	1.37 AED	98.63 AED

**PAYMENT PROPOSAL**  
63000001610 (Scheduling)

Paying company passed by adapter

- No offers in September since limit exceeded
- Supplier experience is same as when buyer blacks out period end through holiday schedule

# Feature at a Glance

## Reporting: Early Payment Limit By Paying Company

Report Next Exit

Enter a title and description for this report. Check the Time Zone and Language settings. You can [More](#)

1 Report Description

2 Report Schedule

3 Criteria

Title: \*

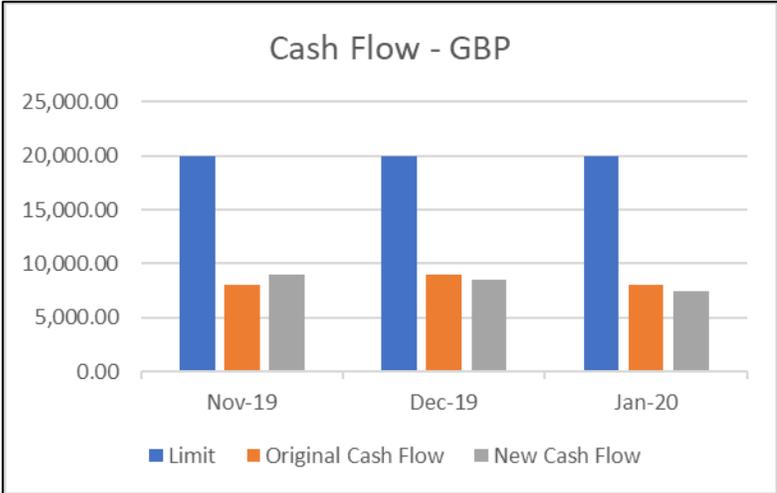
Description:

Time zone:

Language:

Report Type: \*

The discount limit usage report allows buyer to report on historical and anticipated usage against limit



	A	B	C	D	E	F
1	Month	Currency	Company Code	Limit	Original Cash Flow	New Cash Flow
2	Nov-19	British Pound (GBP)	All	20,000.00	8000.00	9000.00
3	Nov-19	British Pound (GBP)	UK01	10,000.00	8000.00	9000.00
4	Dec-19	British Pound (GBP)	All	20,000.00	9000.00	8500.00
5	Dec-19	British Pound (GBP)	UK01	10,000.00	9000.00	8500.00
6	Jan-20	British Pound (GBP)	All	20,000.00	8000.00	7500.00
7	Jan-20	British Pound (GBP)	UK01	10,000.00	8000.00	7500.00

# Feature at a Glance

## Limitations: Early Payment Limit By Paying Company

- Once the limit is crossed, Ariba Network will mark all scheduled payments received with a payment date falling within that period as 'Not Eligible'
- Ariba Network will not make buyer-initiated offers on scheduled payments with an Early Payment Status of 'Not Eligible'
- Once marked as 'Not Eligible', Ariba Network will not change the status to 'Eligible' if you increase the limit
- The scheduled payment will permanently be excluded from your early payment program

SAP Ariba Network

Home Inbox Outbox Catalogs

Scheduled Payments

Search Filters

Scheduled Payments (5)

ID	Reference	Supplier	Payment method	Scheduled Payment Date	Settlement Date	Remaining	Invoice Amount	Status	Early Pay Status
63000001605	INV1605	rajjs1	ACH	30 Nov 2019		1 Day	£100.00 GBP	Scheduling	Eligible
63000001606	INV1606	rajjs1	ACH	30 Nov 2019		1 Day	100.00 CHF	Scheduling	Eligible
63000001608	INV1608	rajjs1	ACH	30 Nov 2019		1 Day	1,000.00 CHF	Scheduling	Not Eligible
63000001609	INV1609	rajjs1	ACH	30 Nov 2019		1 Day	1,500.00 AED	Scheduling	Not Eligible
63000001604	INV1604	rajjs1	ACH	30 Nov 2019		1 Day	£1,000.00 GBP	Scheduling	Eligible