



SAP Ariba 

# Feature at a Glance

**Automation of Source-to-Pay with Ariba Network  
(42K for S/4 HANA Cloud customers)**

Franz Uhr & Sourabh Kothari, SAP Ariba  
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CONFIDENTIAL

# Feature at a Glance

## Introducing: Automation of Source-to-Pay with Ariba Network

Ease of implementation

Geographic relevance



Low touch / simple



Global

### Customer challenge

- Customers using SAP Solution expect an integrated end to end Source to Pay process. Automation of Source to Pay with Ariba Network is fully integrated process with embedded intelligence, analytics and consistent user experience.

### Meet that challenge with SAP Ariba

- This best practice scenario helps customers with automation of Source to Pay process with Ariba network for tactical sourcing and order collaboration flows
- The process integration adopts to standard SAP technology guidelines for an true end to end integrated experience

### Experience key benefits

- Reduce transaction costs
- Speed up procurement processes
- Enforce compliance
- Reduce manual process steps and achieve 98% touch-less invoice processing
- Increase productivity of procurement and accounts payable staff
- Reduce inquiries about payments from suppliers
- Increase productivity in accounts payables department

### Solution area

- SAP S/4 HANA Cloud (Public / Private)
- SAP Ariba Network

### Implementation information

- This feature is activated with scope item 42K for S/4 HANA Cloud customers
- It requires **customer configuration** within SAP S/4 HANA Cloud, SAP Ariba Network and SAP Ariba Cloud Integration Gateway

### Prerequisites and Limitations

For initial release in 1911, there are some limitations and restrictions to the flow. Please refer to slides for details

## Feature at a Glance

# Introducing: Automation of Source-to-Pay with Ariba Network

### Feature Overview

The feature Automation of Source-to-Pay with Ariba Network (Best practice scope item 42K) enables you to seamlessly connect from SAP S/4HANA Cloud to your trading partners in the Ariba Network.

- You can send trading partners requests for quotations, asking for price and quantity information as well as for shipping costs for tactical sourcing requirements
- You can send electronic purchase orders or service orders and goods receipts to your suppliers using the Ariba Network.
- you can receive electronic order confirmations, service entry sheets, advanced shipping notifications, and invoices in SAP S/4HANA Cloud from your trading partners
- You can also send payment advices in electronic form to your trading partners in the Ariba Network.

Digitized Collaboration with your suppliers in the Ariba Network supports you in speeding up the Source to payment processes and in reducing the number of manual process steps, reducing the cost of transactions with your trading partners

The best practice scope item Automation of Source-to-Pay with Ariba Network (42K) is intended to cover the same business processes as its predecessors Supplier Quote Automation with SAP Ariba Commerce Automation (1L2) and Automated Purchase-to-Pay with SAP Ariba Commerce Automation (J82). Existing implementations of Supplier Quote Automation with SAP Ariba Commerce Automation (1L2) and Automated Purchase-to-Pay with SAP Ariba Commerce Automation (J82) can still be used until further notice.

## Feature at a Glance

# Introducing: Automation of Source-to-Pay with Ariba Network

### What's New:

With SAP Intelligent Enterprise Strategy, within Automation of Source-to-Pay with Ariba Network (Scope item 42K), it is not just about integrations for transactional data flows. SAP will provide an end to end business process integration with Consistent user experience, Automated provisioning, master data alignment, identity and access management, embedded analytics and end to end monitoring. Below guidelines will be covered in 1911 release for Quote Automation and Commerce automation processes with 42K.

#### ➤ Consistent User Experience

- Revamped SAP Ariba Network user interface for superior consumer grade experience
- Harmonized look and feel across products that includes consistent terminology and iconography

#### ➤ Aligned Business API's

- SAP will now provide new public API's based on aligned models for new process integration scenarios. Aligned API's will allow customers and partners to reduce complexity of middleware content translating into reduced total cost of operations. In subsequent releases aligned API's will be available on SAP API Business hub.

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# Introducing: Automation of Source-to-Pay with Ariba Network

### Limitations

- Within Automation of Source-to-Pay with Ariba Network (42K), the process Supplier Quote Automation is currently different from its predecessor Supplier Quote Automation with SAP Ariba Commerce Automation (1L2) in the following aspects:
  - Attachments are not supported.
  - Service items are not supported
  
- Within Automation of Source-to-Pay with Ariba Network (42K), the process Automated Purchase-to-Pay is currently different from its predecessor Automated Purchase-to-Pay with SAP Ariba Commerce Automation (J82) in the following aspects:
  - Only standard items – including lean service items – are supported.
  - Note: Currently, you must not mix service items and material items in the same purchase order; some follow-on documents do not support this and will fail.
  - Cancellation of service entry sheets is not supported.
  - Returns items are not supported.
  - Attachments are not supported.
  - Integration with more than one buyer account on the Ariba Network is not supported.
  - Document status updates from the Ariba Network to SAP S/4HANA Cloud are not supported.
  - Customer-created fields cannot be mapped via the mapping tool in SAP Ariba Cloud Integration Gateway (CIG).
  - Quick enablement of suppliers is not supported.

# **Tactical Sourcing Collaboration Process**

## Feature at a Glance

# Introducing: Automation of Source-to-Pay with Ariba Network

## Supplier Quote Automation

Purchasers in SAP S/4HANA can send requests to suppliers on the Ariba Network, asking for price and quantity information as well as for shipping costs. In SAP S/4HANA, these documents are created as requests for quotation of a specific document type. The suppliers can send their responses back to SAP S/4HANA, where quotations are created accordingly.

The process for quote automation part of the scenario is as follows:

- Purchaser creates a request for quotation (RfQ) and publishes it to his/her suppliers on Ariba Network
- On the Ariba Network, suppliers receive the request for quotation, maintain their quotes and submit their response
- Optionally the purchaser can close the supplier's bidding in the Ariba Network (before the date maintained in the RfQ)
- The supplier's quotations are sent back to SAP S/4HANA Cloud
- Corresponding supplier quotations are automatically created in SAP S/4HANA Cloud and can be reviewed by purchasers
- The purchaser evaluates the quotes and awards the supplier quotation
- Optionally the award of the supplier quotation triggers an approval workflow to e.g. get approval by a purchasing manager

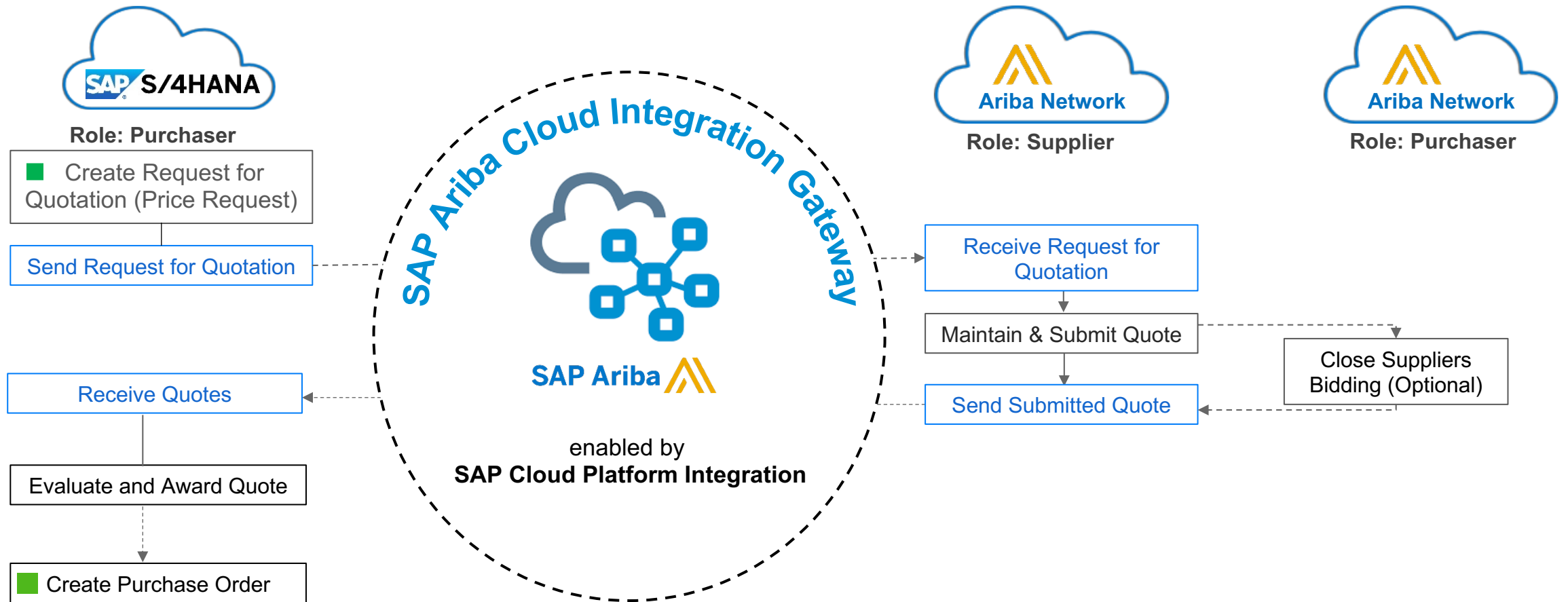
From here the next steps are described in the purchase order collaboration process in the next chapter.

# Feature at a Glance

## Introducing: Automation of Source-to-Pay with Ariba Network

### Supplier Quote Automation

Legend:  Process step (mainly manual)  Process step (mainly automatic)  Start process





## Feature at a Glance

### Introducing: **Automation of Source-to-Pay with Ariba Network**

#### Some topics worth to highlight on **Supplier Quote Automation**

1. S/4HANA Cloud allows the purchaser to enter multiple bidders/suppliers in the Request for Quotation (this is not possible in SAP ERP where only a single supplier can be assigned in the request)
2. The awarding can be done by the purchaser in S/4HANA Cloud since all bids/quotations are received from Ariba Network, hence there is no need for the purchaser to log in to the Ariba Network to review the bids and award a supplier from there
3. As an option the purchaser can stop the bidding process in the Ariba Network before it ends as defined in the *Quotation Deadline* field of the Request for Quotation itself
4. Supplier Quote Automation is currently different from its predecessor Supplier Quote Automation with SAP Ariba Commerce Automation (1L2) in the following aspects:
  - Attachments are not supported
  - Service items are not supported
5. Supplier Quote Automation within this scenario (42K) is currently different from Ariba Quote Automation in that the awarded supplier is notified through the resulting purchase order, and not directly in the Ariba Network

# **Purchase Order Collaboration Process**

## Feature at a Glance

# Introducing: **Automation of Source-to-Pay with Ariba Network**

### Commerce Automation

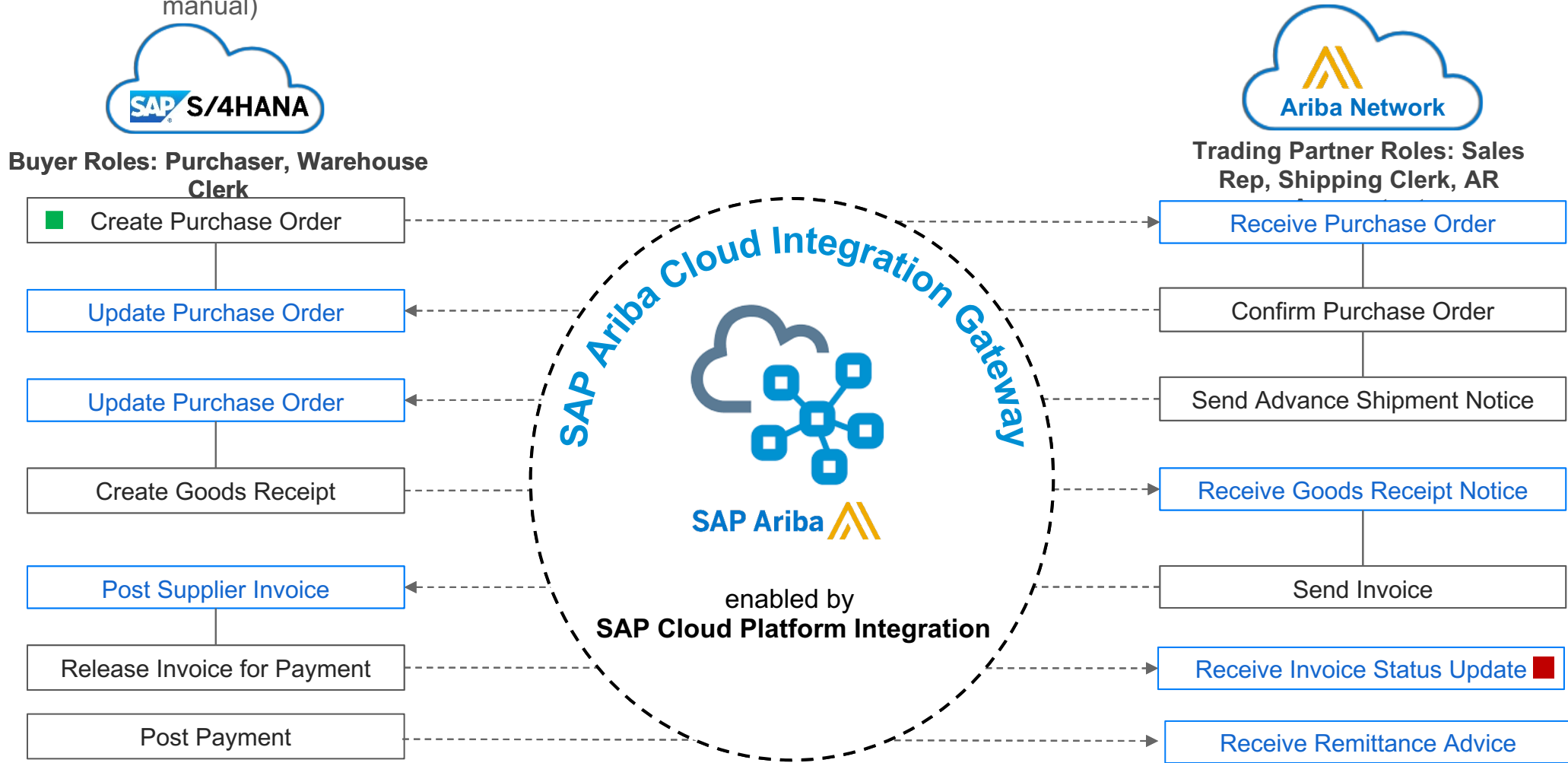
This solution helps buyers and trading partners to have an integrated purchase order collaboration process with SAP S/4 HANA Cloud and SAP Ariba Network using SAP Ariba Cloud Integration Gateway. As part of purchase order processing, the following key processes are available for Buyers:

- Send approved purchase orders electronically to your Trading Partners via the SAP Ariba Network
- Receive digital order confirmations automatically from your Trading Partners
- Process digital advanced shipping notification sent by your Trading Partners electronically in the Ariba Network into inbound deliveries in SAP S/4HANA
- Send goods receipt automatically to Trading Partners in the Ariba Network
- Receive invoices from Trading Partners electronically in the Ariba Network
- Update Trading Partners digitally in the Ariba Network on invoice status updates
- Start payment runs upon receiving Trading Partners invoices in SAP S/4HANA Accounts Payable
- Send payment advice automatically to Trading Partners via Ariba Network

# Feature at a Glance

## Introducing: Automation of Source-to-Pay with Ariba Network

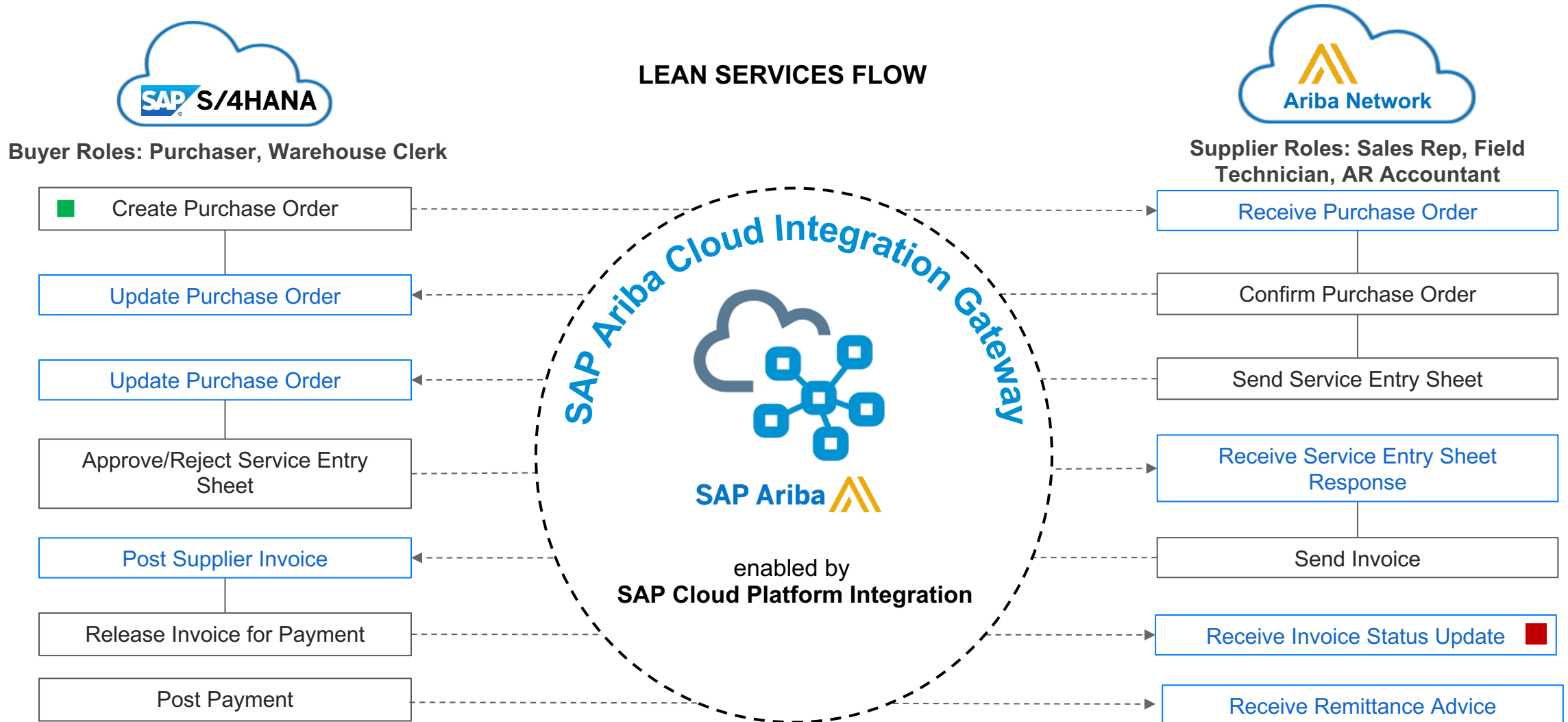
Legend:  Process step (mainly manual)  Process step (mainly automatic)  Start process  End Process



# Feature at a Glance

## Introducing: Automation of Source-to-Pay with Ariba Network

Legend: Process step (mainly manual) Process step (mainly automatic) Start process End Process



## Feature at a Glance

# Introducing: Automation of Source-to-Pay with Ariba Network

### 1. Purchase Order Confirmation

- Suppliers in the Ariba Network can fully confirm or fully reject purchase orders.
- Partial purchase order confirmations are technically supported but with the following restrictions:
  - Only the latest partial confirmation is visible in the purchase order in SAP S/4HANA.
  - Purchase order confirmations are only supported when the price currency of their line items is the same as the price currency in the purchase order.
  - A backorder process is not supported.
- Restrictions
  - Comments are not supported in OC documents.
  - OC Reference number is not supported in S/4 HANA.

## Feature at a Glance

### Introducing: **Automation of Source-to-Pay with Ariba Network**

#### 2. **Advance Ship Notice**

- Suppliers in the Ariba Network can create ShipNotice for full or partial quantities
- Suppliers can create ShipNotice for multiple Purchase Orders with same Ship-to address
- The following fields are supported in ShipNotice:
  - **Header**
    - ASN number
    - Delivery Date
  - **Items**
    - PO number
    - Item Number
    - Delivery Quantity
- Status management: Ship Notice Status is updated Acknowledged on successful receipt of ASN in S/4 HANA. The failures are not captured.
- Restriction: Cancellation and Edit of ASN's are not supported for 1908 Release

# Feature at a Glance

## Introducing: Automation of Source-to-Pay with Ariba Network

### 3. Goods Receipt

- A goods receipt created in the SAP S/4HANA system for a purchase order is transferred to the Ariba Network.
- Once the goods receipt is received on the Ariba Network, the status of the corresponding purchase order is updated with the goods receipt information.
- The following movement types are supported:
  - 101 (goods receipt)
  - 102 (goods receipt for reversal of purchase order)
  - 122 (return to supplier)
- The following Fields are supported in the Receipt document
  - **Header**
    - Receipt Number
    - Receipt Date
  - **Items**
    - PO number
    - Item number
    - Customer Part number
    - Quantity
    - Type (Received/Returned)



# Feature at a Glance

## Introducing: Automation of Source-to-Pay with Ariba Network

### 4. Invoice and Invoice Status Update

- Invoice status updates are transferred to the Ariba Network in the following situations:
- After an invoice has been received and processed by the SAP S/4HANA system
- When relevant changes have been made to the invoice or to the follow-on FI document
- When the output type, conditions and message schemas are defined for supplier invoice status updates

|  |                   |
|--|-------------------|
| The invoice is not posted (for example, because it has errors or is parked or saved as a draft).<br>The invoice is not released for payment. | <b>Processing</b> |
| The invoice is posted.   | <b>Approved</b>   |
| The invoice is paid.   | <b>Paid</b>       |

#### ➤ Restrictions

- Cancellation of Invoices by Supplier is not supported
- Credit Memo & Debit Memo and Line item Credit are not supported
- Non-PO Invoice or Contract based Invoice are not supported
- Tax Jurisdiction
- Pricing Conditions
- ERP Invoice (ERS) – Creating an Invoice in S/4 Hana Cloud and sending the same to Ariba Network is not supported

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# Introducing: Automation of Source-to-Pay with Ariba Network

### 5. Lean Services – Service Entry Sheet and Response

- Only header level Acceptance or Rejection of Service Entry Sheet are supported in S/4HC.
- No hierarchical services are supported in the PO service lines or Service Entry Sheet or Invoices
- No limits defined in Service Lines
- Restrictions
  - Cancellation of Service Entry Sheet by supplier is not supported
  - Update of Service Entry Sheet by supplier is not supported
  - Non-PO or Contract based Service Entry Sheet are not supported
  - Service Entry Sheet created by buyer in S/4HC on behalf of supplier is not supported
  - Complex Pricing Conditions are not supported

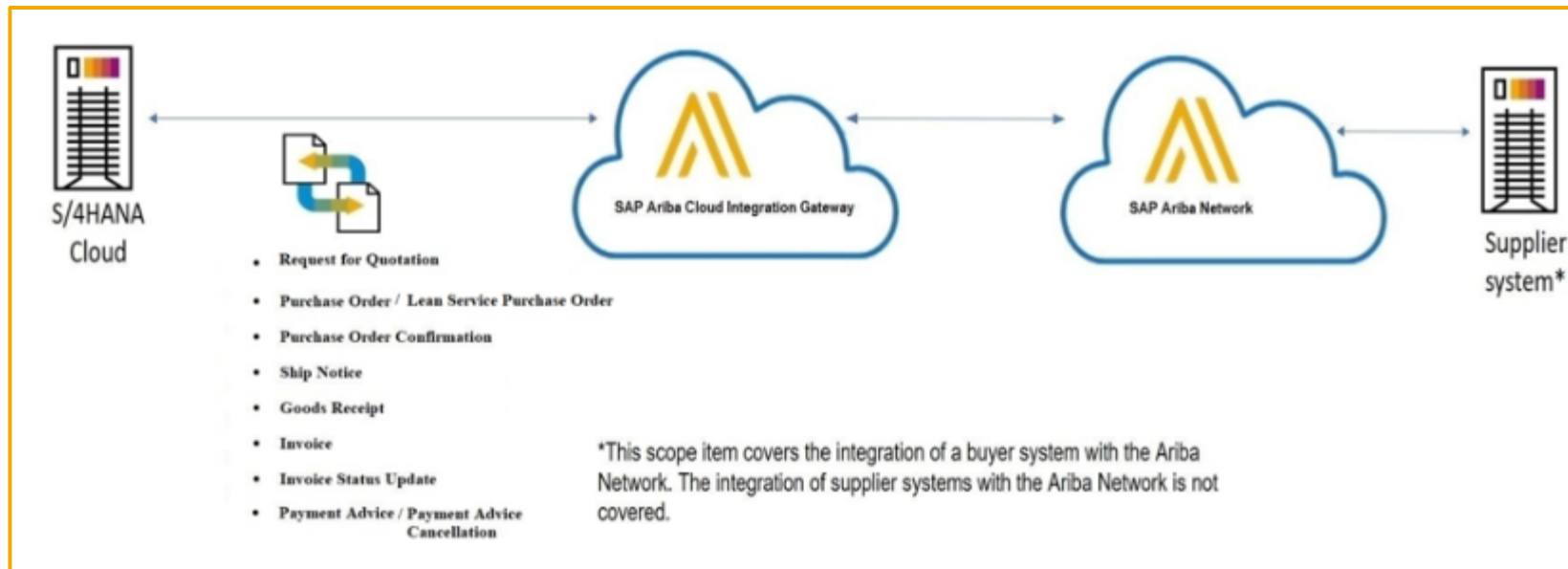
# **Technology Guidelines**

# Feature at a Glance

## Introducing: Automation of Source-to-Pay with Ariba Network

### Integration

- The integration between the SAP S/4HANA Cloud and Ariba Network is achieved through SAP Ariba Cloud Integration Gateway. The settings are to be made in the SAP S/4HANA Cloud, SAP Ariba Cloud Integration Gateway and Ariba Network.
- The SAP S/4HANA Cloud to Ariba Network integration through SAP Ariba Cloud Integration Gateway supports the exchange of documents related to standard procurement process like Request for Quotation, Purchase Order, Order Confirmations, Advance Ship Notice, Goods Receipt, Invoice, Invoice status update and Payment Advice.



# Feature at a Glance

## Introducing: Automation of Source-to-Pay with Ariba Network

### User Experience

SAP72 Font

The screenshot shows the top navigation bar of the SAP Supply Chain Collaboration interface. It includes the SAP logo, the text 'Supply Chain Collaboration', and 'Enterprise Account'. A 'Full Page Refresh: DirectAction (OK)' notification is visible. On the right side, there are icons for a home page, settings, a 'VC' (Vendor Central) icon, and a help icon. An orange box highlights the entire header area, with arrows pointing to the 'SAP72 Font' label on the left and the 'Iconography' label on the right.

Iconography

SAP72 Font

A row of summary cards for 'Orders, Invoices and Payments'. The cards show: '6 Orders to Invoice', '0 Orders that Need Attention', '0 Invoices Rejected', and '1 Orders with Service Lines'. There is a 'More...' link with three dots. An orange box highlights the '6 Orders to Invoice' card, with an arrow pointing to the 'SAP72 Font' label.

Color Palette

| Order Number | Customer      | Status | Amount      | Date ↓      | Amount Invoiced | Action   |
|--------------|---------------|--------|-------------|-------------|-----------------|----------|
| ReturnTest02 | VC Test Buyer | New    | -258.00 EUR | 18 Oct 2019 | 0.00 EUR        | Select ▾ |
| ReturnTest01 | VC Test Buyer | New    | -258.00 EUR | 18 Oct 2019 | 0.00 EUR        | Select ▾ |
| Mat030918023 | VC Test Buyer | New    | \$93.60 USD | 18 Oct 2019 | \$0.00 USD      | Select ▾ |
| Mat030918022 | VC Test Buyer | New    | \$93.60 USD | 18 Oct 2019 | \$0.00 USD      | Select ▾ |
| Mat030918021 | VC Test Buyer | New    | \$93.60 USD | 18 Oct 2019 | \$0.00 USD      | Select ▾ |

An orange box highlights the first row of the table, with an arrow pointing to the 'Color Palette' label.

## Feature at a Glance

# Introducing: Automation of Source-to-Pay with Ariba Network

### Documentation

Detailed documentation for end to end process, configuration guides for S/4 HANA Cloud, SAP Ariba and SAP Ariba Cloud Integration Gateway can be found at below locations

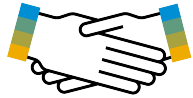
- Business Process Repository (Best Practice Scope Item content – 42K)
  - url: <https://rapid.sap.com/bp/#/browse/scopeitems/42K>
  - Refer Appendix for more details
  
- SAP help portal
  - url: [www.help.sap.com](http://www.help.sap.com)
  - Search with parameters Sourcing and Procurement for 1911 release → Integration and API's → Integration with SAP Ariba
  
- SAP API Hub - [SAP API Business Hub](#)

# Appendix

# SAP Best Practices Content

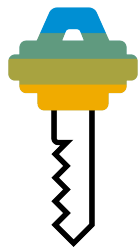
**SAP Best Practices Explorer** – The web channel experience to search, browse, and consume SAP Best Practices

## Benefits for Customers & Partners



- One place to find all packaged solutions and best practices (from SAP and partners) for SAP products
- Available for online and offline use

## Key Facts on the App



- SAP Fiori 2.0-like navigation – simple and easy – built using SAPUI5 technology
- High performance, flexible search, detailed reporting capabilities
- Customer and partner validated usability
  - In-page search with color highlighting of search results
  - Search by scope item ID and scope item description possible
- Ready for partners: Qualified partners will use an easy-to-use publishing – SAP Cloud-based offering – the SAP Best Practices Package Manager

[SAP Best Practices Explorer](#)



