

### SAP Ariba /

## Feature at a Glance Payment Days Late KPI Widget

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#### **Customer challenges**

- Empowerment and process improvement starts with measurement. Suppliers cannot change what they cannot see.
- If suppliers are not paid us on-time, it impacts their bottom line.
- Supplier need tools to discuss performance with customers in quarterly business reviews.

#### Solution area

Ariba Network SAP Ariba Discount Management

# Meet that challenge with SAP Ariba

- The payment days late widget displays average days payments are late on the supplier home page.
- Suppliers may choose last quarter, last month, last 12 months.
- Supplier may select which customer.
- The payment days late widget works with the ontime payment and the value and volume of paid invoices widgets.

#### Experience key benefits

Ease of implementation

**Geographic relevance** 

• Payment days late is one of a number of KPIs that may indicate the business results of SAP Ariba.

Low touch / simple

Global

- Suppliers can clearly see the degree to which customers pay late.
- Suppliers can identify customer behaviors and patterns that can be used in contractual negotiations and in quarterly business reviews.

#### Implementation information

This feature is ready for immediate use and no implementation is needed

#### **Prerequisites and Restrictions**

Supplier must have a bronze or above level subscription.

**User Story:** As a financing manager in my company, I need to understand more that on-time payment rate. I need to understand the degree to which our customers pay us late.

If our customers do not pay us on-time, it impacts our bottom line including:

- our operating costs in credit and collection
- our willingness to accept early payment offers
- our ability to support our business

**KPI Definition:** The number of invoices paid before, or on the due date listed divided by the total number of paid invoices.

A paid invoice is a scheduled payment in Ariba Network.





The payment days late widget is available to all bronze-level and above suppliers on the SAP Business Network home page.

The customer chooser allows you to choose your customers with trading relationships on Ariba Network.

Ariba Network calculates payment days late rate by comparing the remittances and scheduled payments sent to you by your customers.



#### Limitations

- Not all buyers load remittance data to Ariba Network.
- A scheduled payment is the buyer's representation of the supplier invoice in the buyer's accounts payable system. The on-time payment rate calculated by Ariba Network may therefore differ from that calculated by the supplier receivable system. Understanding the buyer's perception of payment days late can be a powerful tool in business reviews as both parties work together to improve process performance.
- The accuracy of the widget may be impacted by problems with the buyer's integration with Ariba Network.
- The Ariba Network KPI framework includes intelligence to identify and exclude data outliers that may be bad data, test data, or otherwise interfere with the KPI calculation. Therefore, KPI calculations may not fully reconcile with the scheduled payments with status Paid on Ariba Network.
- This widget does not include payment data from test accounts.



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