

Internal

SAP Business Network

Supplier Enablement Non-Compliance Escalation Process

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Supplier Enablement support documentation outlining the non-compliance escalation process designed to help customers maximize supplier participation and adoption.

# Purpose

The purpose of this document is to describe the Non-Compliance Escalation process which is a key component of the supplier enablement process. This document describes the process, resources and approach required by your organization when handling a supplier who has been ‘Escalated’ by SAP during the enablement process. It also explains the expectations and requirements for a successful Non-Compliance Escalation Process.

## Terminology

SAP distinguishes between the three separate parties in this process:

* The use of the term Buyer refers to the issuer of orders and the receiver of invoices.
* The use of the term Suppliers refers to the party receiving orders and issuing invoices.
* The use of the term network refers to the SAP Business Network, which is the Global platform where Buyers and Suppliers transact with one another via purchase orders, invoices, etc.
* The use of the term Category Manager or CM refers to the primary category representative within the buying organization who owns the supplier relationship.
* The use of the term Buyer SE Lead or Supplier Enablement Lead refers to the regional project team lead responsible for driving the supplier enablement activities within the buying organization. The SE Lead is typically also the NCE Lead or Non-Compliance Escalation Lead.
* When the Buyer organization submits suppliers to SAP for supplier enablement activities and enablement has “Started” meaning the Trading Relationship Request (TRR) has been sent, it is owned by SAP until no positive progress forward can be made. The Buyer is not required to contact the supplier while they are owned by SAP unless specifically requested to do so by SAP. This will not happen until 3 outreach attempts are made by SAP over a 3-week period (unless another option is requested by the Buyer).
* If a supplier will not progress forward, SAP will pass ownership of the supplier back to the Buyer NCE Lead (Non-Compliance Escalation Lead) who then is responsible for moving this supplier forward (or decides to remove the supplier from enablement).

# Introduction

Your organization and SAP will be working together as outlined in this document. We will closely collaborate to help your organization maximize SAP Business Network utilization and facilitate the enablement of targeted suppliers based on the framework described in this document.

Supplier enablement starts with the distribution of a letter to all suppliers selected by your organization for enablement. A request to join the network (i.e. the Trading Relationship Request (TRR) Invitation) is sent to suppliers with background information on the network, the possible costs involved, Frequently Asked Questions and where to find more information.

The keys to maximum utilization of the network include a strong message to suppliers from the buying organization combined with an efficient enablement process.

# Non-Compliance Escalation Process

When a supplier has questions that SAP cannot answer, the SAP supplier enablement representative is not able to move a supplier forward. Additionally, if a supplier insists on speaking with someone from the buying organization, your NCE contact, or Procurement/Supply Chain project team member, the enablement process halts until that happens. In these cases, your NCE contact will receive a list of escalated suppliers within the weekly SE Report from the SAP Supplier Enablement Team. This report identifies suppliers that have been placed in an Escalated status and will provide relevant information such as a summary of the reason, the date the supplier was escalated along with supplier contact information. Your NCE contact must review each situation and work with the applicable Procurement/Category Manager Resource, when necessary, to contact the supplier to discuss and resolve the supplier’s concerns. If they are unable to do so, please let SAP know if you want the supplier dropped from enablement. SAP will need to do that within the Buyer’s network Account.

Figure 1 is a sample flowchart of the enablement non-compliance escalation process. Your organization should add any steps necessary to properly manage the supplier escalation process within your organization for resolution.



Figure 1

The key to a successful NCE process is proper documentation, tracking and follow-up with each identified supplier. SAP documents escalated suppliers within the SE Report provided to your designated contact weekly and putting the supplier in the Escalated status within our database. Once this happens, your NCE contact will need to track and follow-up with the escalated suppliers until resolution can be attained. SAP and Buyer will discuss NCE progress and corresponding actions during the weekly SE meetings.

When a supplier is flagged as escalated, a reason code that categorizes the escalation is assigned and documented within the weekly SE report. The reason code is used to define the action and response that should be provided to the supplier by your NCE contact. At the end of the document, you’ll find a summary of the escalation codes and corresponding action required by your NCE contact.

For some escalations, a simple e-mail from your NCE contact resource to support and reinforce project messaging may be all that is needed to encourage the supplier to join the network. For other escalations, a more direct response may be appropriate and would require the NCE contact to call the supplier to discuss the issue and investigate an option for resolving the situation.

## Methods of Resolving NCE Issues with Suppliers Include:

* **E-mail / Letter:** In some cases, a letter/e-mail to the supplier with reiteration by the NCE contact that SAP is the way forward, will be enough to encourage the supplier to move forward and join the network to transact.
* **Telephone call:** Calling the supplier is the most effective response in terms of effort versus reward. The NCE contact can talk directly to the supplier and handle the issue and identify resolution.
* **Face to Face:** Where a relationship is critical to both the supplier and the Buyer organization, a face to face meeting may be warranted and be most effective. By discussing both parties’ issues and needs, an agreement can be made. It is important to remember that the outcome is for the supplier to start transacting with you via the network. Since this approach takes a significant amount of time and resources, it is not an approach that should be taken for all suppliers.

Through the process of involving the applicable Procurement/Supply Chain resources, the Buyer NCE contact ensures the correct and most familiar person in the organization is in contact with the supplier. The applicable Procurement/Supply Chain resource will be briefed on the network Program, program objectives, and the supplier issue that caused the escalation. Next, the Buyer NCE contact evaluates all opportunities to retain the supplier in the program through communications with the supplier. As a last resort, those suppliers refuse to participate should be reviewed for their importance with your organization and the appropriate business decision enacted. Our recommended best practice is if there is justification for continuing business with a supplier who will not participate, the supplier should be approached for procurement transactions via a purchase card or some other relevant form of business that eliminates paper transactions.

Throughout the ‘Non-Compliance Escalation’ process, the Buyer NCE contact should make all reasonable efforts to get the supplier to join the network. A table at the end of the document contains supplier benefits for utilizing the network. Frequently asked quested are also provided to help facilitate responses to common supplier issues. Both are tools to assist your NCE contact when discussing the network with a supplier.

The goal of the NCE process is to work with the supplier to achieve:

* Agreement to participate on the network. The supplier returns to the SAP Supplier Enablement Team to facilitate supplier registration.
* Supplier rejection of joining the network. Buyer NCE contact informs SAP to set the supplier Status to “Closed” with the Status Reason “Supplier declined participation”. SAP will update the buyer account accordingly.
* Identification of the supplier as one that is not suited for electronic invoicing. Buyer NCE contact informs SAP that the Supplier Status should be set to “Closed” with the Status Reason “Supplier excluded by buying organization”.

# Timeline for Addressing Escalation Issues with Suppliers

The amount of time needed to deal with an escalation can differ based on the situation. It is important not to lose any momentum or impetus that a supplier has. Therefore, all NCE notifications should be dealt with and resolved as promptly as possible.

The supplier should be contacted within **10 business days** of being escalated to acknowledge that they are being addressed. Resolution should be communicated back to SAP, via email (if not providing any personally identifiable information (PII) per GDPR) or via MS Teams or buyer sharing solution to your Supplier Enablement representative as soon as possible. **Ideally, some response should be provided to SAP within 4 weeks** of the original notification.

If a supplier directly sends an escalation email to the Buying organization, the Buyer SE Lead can either refer the supplier back to SAP if an SAP Issue or address the escalation at that time. Any direct responses to supplier escalations should include your SAP Supplier Enablement project manager in the distribution. Please make sure SAP is aware of these communications so they can be tracked and monitored weekly.

# Message Consistency from Buyer Representatives

To best compliment your supplier enablement efforts, it is important to ensure that all functions that touch your Procurement/Supply Chain Process are aligned and consistently communicating program goals and deliverables. It is imperative that other supplier relationship holders are told their support is required to make the initiative a success. This is particularly important for those who have regular contact with suppliers or are seen as the suppliers’ main contact.

It is essential that the collaborative commerce project team and applicable Procurement/Supply Chain resources are willing to assist and educate all Buyer representatives and suppliers on important program milestones and deliverables. They also must support process changes during the transition to electronic transactions. Information about your initiative should be made available and distributed via your Supplier Information Portal, broadcast emails and as necessary. Your NCE contact should expect to meet with other Buyer representatives upon request to guide them through the implementation of the program with their key suppliers.

# Sample Buyer Communications for Escalation Follow-up

|  |  |
| --- | --- |
| **Communication Name** | **Template URL** |
| Supplier is no longer doing business with <BUYER> | <https://support.ariba.com/item/view/193204> |
| Supplier declined to participate due to SAP Business Network Fees | <https://support.ariba.com/item/view/193205> |
| Supplier advised by <BUYER> Contact to not participate on the network | <https://support.ariba.com/item/view/193208> |
| Supplier is unresponsive and not moving forward | <https://support.ariba.com/item/view/193209> |
| Supplier does not have sufficient network Infrastructure | <https://support.ariba.com/item/view/193210> |
| Supplier needs information from <BUYER> to proceed | <https://support.ariba.com/item/view/193212> |
| Supplier does not do enough business with <BUYER> to justify costs | <https://support.ariba.com/item/view/193213> |
| Supplier wants to transact with <BUYER> outside the network | <https://support.ariba.com/item/view/193214> |
| Supplier is changing their billing system and wants to wait to join the network | <https://support.ariba.com/item/view/193216> |

## Additional Escalated Statuses that Require a Direct Response to SAP

|  |  |
| --- | --- |
| **Reason** | **Needed Action by Buyer NCE Contact** |
| Invalid contact information | SAP has exhausted all means of locating correct contact information for this supplier. Please provide updated contact information to your SAP Supplier Enablement Lead. |
| Supplier instructed to use different ANID | Your supplier has informed us that they have a separate network account they prefer to use. Please update your system with the provided ANID in the comments and send verification of the change to your SAP Supplier Enablement lead. |

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# SAP Business Network Supplier Benefits

# Suppliers’ Frequently Asked SAP Program Questions

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## Questions and Answers

1. **What is SAP Business Network?**

SAP Business Network is the world’s business commerce network. SAP combines industry-leading cloud-based applications with the world's largest web-based trading community to help companies discover and collaborate with a global network of partners. Using the network, businesses of all sizes can connect to their trading partners anywhere, at any time, from any application or device to buy, sell, and manage their cash more efficiently and effectively than ever before. Companies around the world use the network to simplify inter-enterprise commerce and enhance the results that they deliver.

The network offers suppliers a broad range of solutions and services to manage business transactions and content through a web browser or electronically through EDI/cXML. Being part of the network positions suppliers to attract more business from existing customers, as well as gain new ones.

You can access your network supplier account and other information about the network with these links:

* SAP Business Network supplier account: https://supplier.ariba.com
* SAP Business Network information: <http://www.ariba.com/community/the-ariba-network>

1. **Why is BUYER asking suppliers to transact with them electronically?**

BUYER wishes to move away from conducting commerce via hard copy and manually transmitted purchase orders, change orders, advance shipment notices, invoices, and more. As a supplier to BUYER, we are contacting your organization to inform you of these changes and request your help in preparing and ensuring a smooth transition to the new process.

1. **What infrastructure do I need to use the SAP Business Network?**

A regular Internet connection and a web browser are the only requirements.

1. **Why did BUYER choose the network?**

The network is the world’s largest trading partner community, home to more than 1.2 million companies, including more than half of the Fortune 500. SAP provides fast and efficient transmission, tracking, and processing of orders and invoices.

1. **What do I need to know when transacting with BUYER through the network?**

It is important to review the information, training materials, and reference documents provided on BUYER’s Supplier Information Portal. To access the Supplier Information Portal:

* Log into your network production account at <https://supplier.ariba.com>
* From the Administrator drop-down menu, select Customer Relationships
* Locate BUYER and click the Supplier Information Portallink next to their name

1. **What if I don’t want to participate?**

BUYER is committed to the success of this initiative and is working hard to make the transition as seamless for suppliers as possible. Suppliers that are asked to participate are considered strategic to the ongoing business of BUYER and are thus expected to comply with this process change as a requirement for continuing the relationship.

1. **How do I register on the network?**

SAP and BUYER are contacting suppliers in phases & waves during the rollout and will send you a Trading Relationship Request Letter when they are ready for you to convert to the new process. This letter will explain how to register on the network and the steps you should take to create a network account. SAP will also contact and assist you individually throughout this process to ensure a smooth transition.

*Note: If you already have a network account, you can leverage it to transact with* BUYER*.*

1. **What if I forget my password?**

If you forget your network Password, click the Forgot Password link at <http://supplier.ariba.com> to be prompted through the password reset process.

1. **Is there a cost for transacting business on the network?**

As a network supplier, you have two choices in network accounts. The right one for you is based on your business model and how you think you can best achieve your e-commerce and sales goals. The Standard Account has basic functionality and is completely free for suppliers. An enterprise account provides everything the standard account offers, plus ways to grow and strengthen your business through the network. More information about pricing can be found at <https://www.ariba.com/ariba-network/ariba-network-for-suppliers/accounts-and-pricing>

1. **How secure is the network?**

The network uses Secure Hypertext Transfer Protocol (HTTPS) for all communication between procurement applications, suppliers, and the network. HTTPS is the standard for secure Internet communication and uses Secure Socket Layer (SSL) with RSA Labs encryption. Additionally, accounts on the network are password protected. [You can learn more about SAP data security policies here.](http://www.ariba.com/legal/ariba_data_policy.cfm)

1. **What is the privacy policy for registration and company information?**

By registering on the network, suppliers make their company profile information available to their current customers as well as other buying organizations on the network. Your customers use this information to conduct transactions with you through the network, and prospective buyers use it to initiate new business relationships.

Protected account information, such as Tax ID and account settings, is not shared. Suppliers do not have access to the account information of other suppliers.

1. **What if I have more questions?**

Visit our Supplier Information Portal by following these steps:

* Log into your network production account at https://supplier.ariba.com
* Click the Administration Navigator menu, then Customer Relationships
* Under Current Relationships, locate BUYER
* Click the Supplier Information Portal link

SAP Business Network Supplier Enablement Help Desk: 1-800-974-4899 (NAMER only – Support is available in English and Latin American Spanish.)

* For assistance accessing your account, password resets, or general issues with your network account

BUYER Supplier Enablement Team: SupplierEnablement@BUYER.com

* For business process questions or general inquiries on the new process

1. **What do I do with the paper invoices that have already been printed or sent to BUYER?**

Approximately 1 week prior to “Go Live”, BUYER will send a “Go Live” communication by email to confirm the exact “Go Live” date. Until you have been notified to begin sending “live” invoices through your network production account, you will continue to submit invoices the same way you have done so previously.

1. **What is the process for invoices against purchase orders that I received prior to cutover?**

BUYER’s current plan is to have any orders placed prior to cutover be completed via the former process; any orders placed after cutover should be managed fully via the network or SAP integration.

1. **What date will I start transacting with BUYER over the network?**

Approximately 1 week prior to “Go Live”, BUYER will send a “Go Live” communication by email to confirm your exact “Go Live” date.

[www.sap.com](http://www.sap.com/).