



SAP Ariba 

Feature at a Glance

Simplified procurement of services

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CONFIDENTIAL

Feature at a Glance

Introducing: Simplified procurement of services

Ease of implementation



Low touch / simple

Geographic relevance



Global

Customer challenge

Some customers need a simplified process to manage their procurement and invoicing of services. They require a simple one-level definition of service items and do not require service sheets to allow invoicing of service purchase orders.

Previously, service requisitions and orders always used a two-level hierarchy of item groups (parent-level lines) and grouped items (child-level lines). Buyers or suppliers could flip only the child lines for invoicing. This requirement was previously enforced even when buyers had enabled the *Allow suppliers to create invoices directly from service POs without a service sheet* rule.

Solution area

- SAP Ariba Buying with or without the guided buying capability
- SAP Ariba Buying and Invoicing with or without the guided buying capability
- SAP Ariba Invoice Management
- SAP Ariba Commerce Automation / SAP Ariba Commerce Automation Membership
- Ariba Network

Meet that challenge with SAP Ariba

Buyers can now configure their SAP Ariba solution to enable simplified procurement of services. If you enable this capability, you can create service requisitions and service purchase orders without adding child items.

You can also flip the service purchase orders for invoicing without service sheets. This capability eliminates the service sheet creation and approval process, and it simplifies and expedites your invoicing process.

Implementation information

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

Experience key benefits

Provide buyers the option to define a simple service process on SAP Ariba Procurement solutions, in accordance to their business processes and backend system requirements.

Prerequisites and Restrictions

If this feature is enabled, the following actions are not supported:

- create service purchase orders that require child line items or service sheets.
- add or copy line items in the service invoices.
- create collaborative service purchase requisitions.

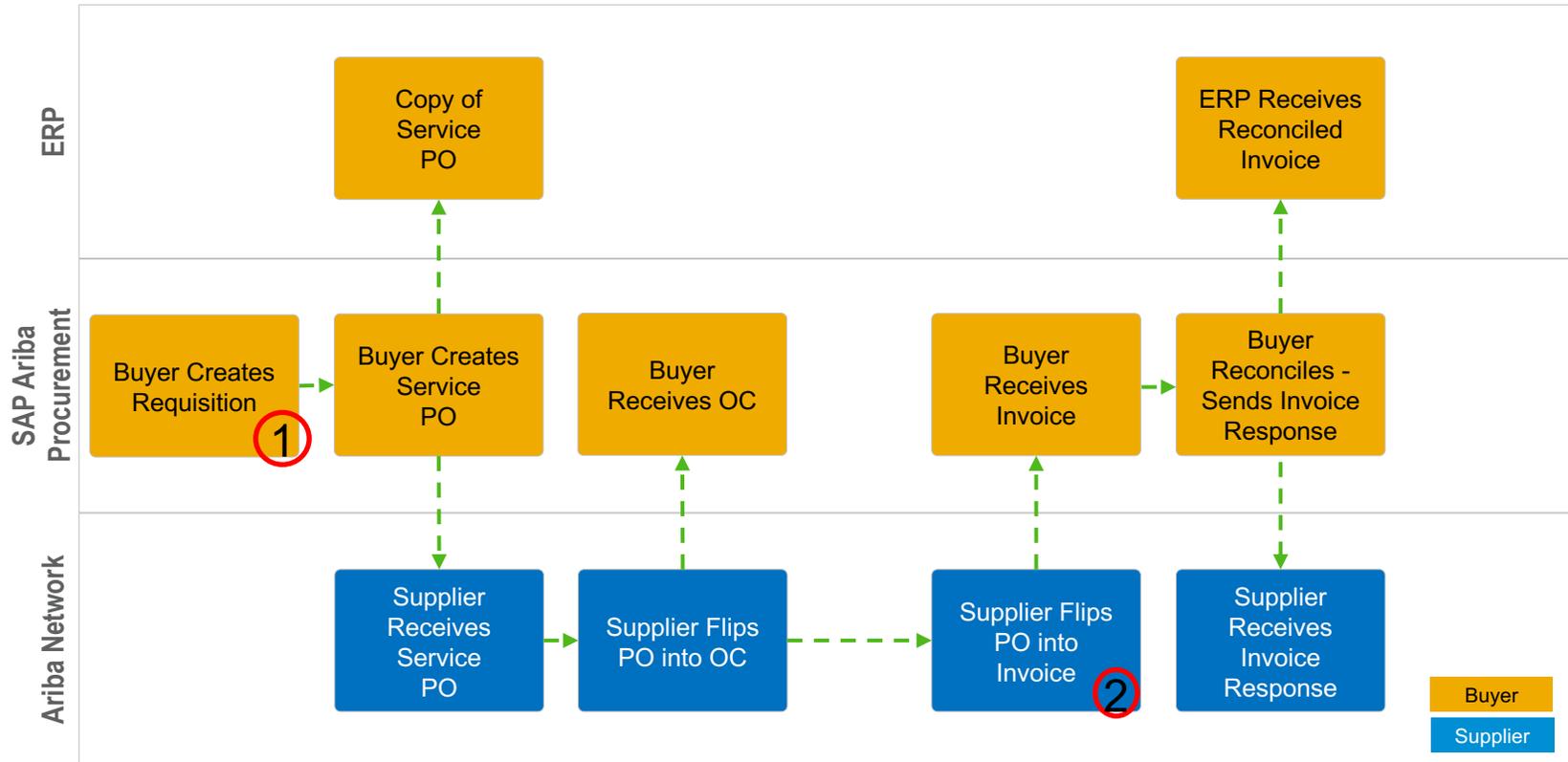
Feature at a Glance

Introducing: **Simplified procurement of services**

- A buyer can create a simple service requisition on SAP Ariba Buying with or without guided buying that when approved will submit a service purchase order with the following characteristics:
 - Flat service line items, meaning no parent/child hierarchy.
 - Quantity is always defaulted to 1
 - Buyer can define ServiceStartDate & ServiceEndDate
 - Buyer can define a ExpectedAmount and a MaxAmount
- Purchase Orders generated from such requisitions do not allow or require the creation of a service entry sheet. Invoicing allowed directly using the purchase order.
- Multiple invoices can be submitted against a service purchase order as long as the PO line item max amount is greater than all invoices accumulated to that PO line item.

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(1) : The buyer can create a simple service requisition on SAP Ariba Buying with or without guided buying. This requisition has simple flat line items that include the following information: MaxAmount, ExpectedAmount, ServiceStartDate & ServiceEndDate. **Quantity is always defaulted to 1.**

(2) :The PO item can be flipped to the Invoice. The only fields editable are the unit price and service dates.

The invoice does not allow to add a child item.

The accumulated invoices must be lower than the PO line item max amount.

This flow is enabled via a realm level parameter. This means that ALL service requisitions / purchase orders will follow this flow and its characteristics if the parameter is enabled.

Simple Order vs Standard Service Order

Comparison procuring and invoicing items following the enabling or not of simplified services

	Simple Service Order <i>Application.Procure.EnableSimpleServices = Yes</i>	Standard Service Order <i>Application.Procure.EnableSimpleServices = No</i>
SAP ERP item category	Item Category D on SAP ERP and SAP S/4 HANA	Item Category D on SAP ERP and SAP S/4 HANA
Flagging line items on requisitions as service items	Line items on requisitions are flagged as service items by specifying the Item Category as <u>service</u> .	Line items on requisitions are flagged as service items by specifying the Item Category as <u>service</u> .
Parent-child hierarchy using a nested level of child items	Does not support parent and child hierarchies.	Supports hierarchy of item groups (parent and a nested level of child line items) on service requisitions for planned services. (currently SAP Ariba procurement solutions support one level hierarchy).
Service sheet requirements	Simple service orders do not require, or allow, service sheets.	It is mandatory that either the supplier or the buyer creates service sheets to service provided – or ses autocreated from invoice - or the invoices are created against service orders directly.
Invoicing	Invoices are created based on the purchase orders items.	Invoices are created based on fully approved service sheets associated with the purchase orders for service items – or the invoices are created against service orders directly.
Validation for maximum allowed amount for a service item	Invoices can be submitted for an item as long as the PO line item max amount is greater than all invoices accumulated to that PO line item.	Service sheets cannot be created for an item if the total amount accumulated across all service sheets for the item exceeds the maximum amount specified on the order.
Nature of service where most suitable for	Suited for tasks of simple nature. Such services might not require to approve or review the services and goods delivered before invoicing may occur.	Suited for complex nature of projects and services where providing a specification of services and goods delivered is a normal part of the business process. Example: Maintenance services performed for an oil rig during a one-year service period.
Split accounting	Line items can have split accounting	Line items can have split accounting
Purchase Orders	A service item can be mixed with a material item on a Purchase Order.	A service item can be mixed with a material item on a Purchase Order.

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Create Non-Catalog Item

Have you tried using Spot Buy capability?

Purch Org: 3000 (IDES USA)

Full Description: * Elevator repair

Commodity Code: * Manufacturing equipment maintenance ...

Material Group: 007 (Services)

Item Category: Service

Max Amount: \$3,000.00 USD

Expected Amount: \$1,800.00 USD

Service Start Date: Thu, 30 May, 2019

Service End Date: Fri, 7 Jun, 2019

Account Type: * Cost Center

Quantity: 1

Unit of Measure: each

Price: * \$1,800.00 USD

Line Items

1 Item Total Hide Details

No	Type	Description	Qty	Unit	Price	Discount	Net Amount	Charges	Taxes	Amount
1		Elevator repair	1	each	\$1,800.00 USD		USD \$1,800.00 USD		\$162.00 USD	\$1,962.00 USD

Vendor: VDR1533050 (Boilermaker Inc.) Max Amount: \$3,000.00 USD

Contact: Boilermaker HQ [select] Expected Amount: \$1,800.00 USD

Commodity Code: Manufacturing equipment maintenance ... Service Start Date: Thu, 30 May, 2019

Material Group: 007 (Services) Service End Date: Fri, 7 Jun, 2019

No child items can be added.

Service items will be managed as simple service orders if this feature is enabled.

The accumulated invoices must be lower that the PO line item max amount.

Quantity is always 1.

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Purchase Order: PO3866 Done

Create Order Confirmation **Create Invoice** Hide | Print | Download PDF | Export cXML | Download CSV | Resend

Order Detail | Order History

Line Items Show Item Details

Line #	Part # / Description	Type	Qty (Unit)	Price	Subtotal	Tax	
1	Not Available	Service	1 (EA) ⓘ	\$7,000.00 USD	\$7,000.00 USD	\$630.00 USD	Details
Training services							

On Ariba Network, suppliers will receive service order with parent line item and will not require service sheet.

Line Items 1 Line Items, 1 Included, 0 Previously Fully Invoiced

Insert Line Item Options

Tax Category: 21% VAT / VAT on Shipping Discount [Add to Included Lines](#)

<input type="checkbox"/>	No.	Include	Type	Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal
<input type="checkbox"/>	1	<input checked="" type="checkbox"/>	SERVICE	Not Available	Training services		1	EA ⓘ	\$18,000.00 L	\$18,000.00 USD

! Unit Price exceeds the tolerance limit. ! The subtotal invoiced exceeds limit.

When creating the invoice, the accumulated invoices must be lower than the PO line item max amount.